

CHAPTER 14  
IOWA JOB TRAINING PARTNERSHIP PROGRAM  
[Prior to 1/14/87, Planning and Programming 630—Chapter 19]  
[Prior to 7/17/96, see Iowa Department of Economic Development, 261—Chapter 19]

DIVISION I  
PROGRAM STRUCTURE AND PLAN REQUIREMENTS

**345—14.1(7A, 29 U.S.C. 1501 et seq.) Assumption of responsibility.** Pursuant to Executive Order 47, signed on December 29, 1982, by the Honorable Governor Robert D. Ray, the office for planning and programming was designated as the administering state agency for the Job Training Partnership Act (JTPA, P.L. 97-300) empowered to act on the governor's behalf in applying for and receiving JTPA funds; to establish by administrative rule such procedures and policies in accordance with state and federal law as are reasonable and necessary to administer JTPA and transition from the Comprehensive Employment and Training Act (CETA) to JTPA; and to establish by administrative rule such policies and procedures applicable to the state job training coordinating council as are necessary to conform to JTPA and provide efficient council operations.

Effective July 1, 1986, the Iowa department of economic development is the state administrative entity responsible for activities and services under the Job Training Partnership Act (JTPA, P.L. 97-300). The JTPA administrative functions previously performed by the office for planning and programming were transferred to the department of economic development by 1986 Iowa Acts, chapter 1245.

This rule is intended to implement Executive Order 47 and 29 U.S.C. 1501 et seq.

**345—14.2(7A, 29 U.S.C. 1501 et seq.) Purpose.** The purpose of the Iowa Job Training Partnership Act program is to establish programs to prepare youth and unskilled adults for entry into the labor force and afford job training to those economically disadvantaged individuals and others facing serious barriers to employment who are in special need of such training, and will benefit therefrom, to obtain productive employment.

This rule is intended to implement Executive Order 47 and 29 U.S.C. 1501 et seq.

**345—14.3(Executive Order 47, 29 U.S.C. 1501 et seq.) Definitions.** The following definitions apply to this chapter and the Iowa Job Training Partnership Act program unless the context otherwise requires:

*“Academic credit”* — Credit for education, training, or work experience applicable towards a secondary school diploma, a postsecondary degree, or an accredited certificate of completion.

*“Administrative capacity”* means the positions that have overall administrative responsibility for selection, hiring, placement, or supervisory responsibilities regarding participants served or staff hired under a grant agreement.

*“Administrative entity”* — The organization, corporation, agency or unit of government designated under an agreement between a private industry council and representative(s) of the parties to an Iowa Code chapter 28E agreement to manage and execute a job training plan in a service delivery area of the state.

*“Adult”* — Any individual who is 22 years of age or older.

*“Aid to families with dependent children (ADC)”* — A public assistance program operated in Iowa by the department of human services to provide cash assistance to eligible persons pursuant to a state plan approved under the Social Security Act, Title IV.

*“Applicable credits”* means an amount which can be allocated to a grant as a direct or indirect cost to offset or reduce an expense item.

*“Applicant”* — A person who applies for employment, training or other services offered under JTPA. An applicant found to be eligible for the program remains an applicant until the provisions for “participant” have been met.

*“Assessment”* — A formal or informal process utilizing interviewing, counseling or testing to determine an individual’s employability, aptitudes, skills, abilities, and interests and to develop a plan to achieve the individual’s employment and related goals.

*“Audit trail”* means the path of a transaction from its inception in the accounting system to its inclusion in the financial statements.

*“Average wage at placement”* means the total of all placement wages of all participants who entered employment at termination divided by the number of placements.

*“Backfill”* — The stipulation included in upgrading activities that requires the employer to hire at least one new JTPA-eligible individual for each employee upgraded.

*“Barriers to employment”* — Limitations that affect an individual’s ability to secure and maintain employment. Individuals with barriers to employment may include, but are not limited to, those who have limited English-language proficiency, or are displaced homemakers, school dropouts, teenage parents, handicapped, older workers, veterans, offenders, alcoholics, or addicts.

*“Certificate”* — A document that describes competencies which have been obtained by a participant and can serve as a form of résumé to help acquire employment or further training. Certification documents a participant’s achievement according to a uniform set of competency statements. Such documents are created from information contained in the “employability profile.”

*“Chief elected official (CEO)”* — The local elected official(s) who is selected from the participating units of government in the service delivery area (SDA) to act as their authorized representative(s). In the case of a service delivery area, this would be the chairperson(s) of the local elected officials’ JTPA board. For the state, the CEO is the governor.

*“Citizenship status”* means designation of an applicant as a citizen or “eligible noncitizen” whose status permits permanent employment in the United States. For JTPA record-keeping purposes, “eligible noncitizen” includes:

1. Nationals of the United States;
2. Lawfully admitted permanent resident aliens;
3. Lawfully admitted refugees and parolees;
4. Other individuals authorized by the Attorney General to work in the United States.

*“Community based organizations (CBO)”* means private nonprofit organizations which are representative of communities or significant segments of communities and which provide job training services. Examples include United Way of America, neighborhood groups and organizations, community action agencies, community development corporations, vocational rehabilitation organizations, rehabilitation facilities (as defined in Section 7(10) of the Rehabilitation Act of 1973), tribal governments, and agencies serving youth, the handicapped, displaced homemakers, or on-reservation Indians.

*“Community improvement services projects (CISP)”* — Projects for youth ages 16 to 21 that offer full-time (up to 40 hours) during the summer months and holidays, and part-time (up to 20 hours) during the school year, work experience in public and private nonprofit agencies. The jobs generated under this project must provide community improvement services.

*“Competency-based learning”* — Techniques for improving the learning process which focus on carefully and clearly defining the content to be learned, and the connected tasks of assessing what the learner knows, and providing learning experiences which led to the desired, defined outcome.

*“Competency categories”* — A general skills area within which competencies must be developed for a youth employment competencies system. There are three competency categories:

1. Basic education skills — The fundamental skills of reading, computation, and written and verbal communication that are needed to successfully function in the workplace.
2. Job specific skills — The knowledge and skills required to carry out the tasks of a specific occupation or cluster of occupations.

3. Preemployment and work maturity skills — Those skills which are needed to look for, obtain and retain a job such as: self-awareness of one's own career-related interest, abilities, strengths and weaknesses; job-seeking skills, including application or résumé completion and interviewing skills; and the ability to meet basic employer expectation, including regular attendance, punctuality and following instructions.

*“Competency statement”* — A written description made as part of a youth employment competencies system which includes an identification of the skills, knowledge, attitudes and behavior which a youth should have in order to successfully enter and stay in the work force; an indicator, which shall be a specific observable behavior that demonstrates the possession of a competency; a benchmark which shows the extent to which the participant is expected to demonstrate the possession of a skill, knowledge, attitude or behavior; and a method of assessment.

*“Cost allocation plan”* — A plan to support the distribution of grant costs between more than one cost category, which shall include (1) the nature and extent of services provided and their relevance to the grant agreement; (2) the items of expense to be included; and (3) the methods to be used in distributing the costs. All costs included in a plan shall be supported by formal accounting records which will substantiate the propriety of the eventual changes.

*“Cost category”* — A pool, center or area established for the grouping of costs incurred under a grant.

*“Cost per entered employment (Adult)”* means the total expenditures for adults divided by the number of adults who entered employment.

*“Cost per positive termination (Youth)”* means calculated as the total expenditures for youth divided by the number of youth who had a positive termination.

*“Demand occupations”* — Occupations which have a potential for sustained demand or growth.

*“Department”* or *“WDD”* means the workforce development department.

*“Dependent”* — Any person for whom, both currently and during all of the previous six months, the participant has assumed 50 percent of the support, and is:

1. A member of the immediate household; or
2. Not a member of the household, but a parent or child of the participant, or a relative of the participant who is unemployed because of a mental or physical disability; or
3. A person who may be claimed as a dependent on the participant's tax return under Section 151(e) of the Internal Revenue Code.

*“Direct costs”* — Costs that may be directly identified with a particular cost category.

*“Disabled veteran”* — A veteran who is entitled to compensation under laws administered by the veterans' administration, or an individual who was discharged or released from active duty because of a service-connected disability.

*“Dislocated (displaced) worker”* — Any individual who is residing at an address within the state of Iowa at the time of application and:

1. Is terminated or laid off, is eligible for or has exhausted entitlement to unemployment compensation, and is unlikely to return to the individual's previous industry or occupation; or
2. Is in receipt of a notice of termination or layoff from employment, will be entitled to unemployment compensation at the time of layoff or termination, and is unlikely to return to the individual's previous industry or occupation; or
3. Is terminated, or who has received a notice of termination of employment, as a result of any permanent closure of a plant or facility; or
4. Is long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including any older individual who may have substantial barriers to employment by reason of age.

Once an individual has been terminated or laid off from a job, that person is considered to be a dislocated worker from that job until the individual works full-time for 11 consecutive weeks for one employer. For purposes of this definition, full time is considered to be 40 hours per week and time spent in the National Guard and the armed forces reserves is not counted in the 11 weeks. If the person is subsequently laid off or terminated from the second job, that person may be a dislocated worker from that

second job. A redetermination of eligibility as a dislocated worker from that second job would be necessary.

In the case of a self-employed individual, “terminated, or has received a notice of termination” means probable permanent business dissolution as evidenced by the individual’s written declaration and proof of: foreclosure, bankruptcy, filing of bankruptcy, no profit shown during the last 12 months, or inability to secure capital necessary to continue the business operation. Farmers are to be considered self-employed individuals.

“*Displaced homemaker*” — An individual who has not worked in the labor force for a least two years immediately prior to application but has, during those years, worked in the home providing unpaid services for family members, and is experiencing difficulty in obtaining employment, and either (1) has been dependent on public assistance or on the income of another family member but is no longer supported by that income; or (2) is receiving public assistance on behalf of dependent children in the home, especially where such assistance will soon be terminated.

“*Economically disadvantaged*” — An individual who either (1) receives or is a member of a family which receives cash payments under a federal, state or local public assistance program; (2) or is a member of a family whose income during the previous six months on an annualized basis at the time of application was not in excess of 70 percent of the lower living standard income level or poverty level; or (3) receives food stamps; or (4) is a foster child on whose behalf state or local government payments are made.

“*Economic development agencies (EDA)*” means agencies and institutions responsible for regulating, promoting, or assisting in local economic development, including local planning and zoning commissions or boards and community development agencies.

“*Education status*” means the educational status of an individual at the time of application:

1. School dropout. An individual who is neither attending any school nor subject to a compulsory attendance law and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

2. Student (high school or less). An individual who is enrolled in an elementary or secondary school (including elementary, junior and senior high school or equivalent), or is between school terms and intends to return to school.

3. High school graduate or equivalent (no post-high school). An individual who has received a high school diploma or GED Certificate, but who has not attended any postsecondary vocational, technical, or academic school.

4. Post-high school attendee. An individual who is attending, or has attended, a postsecondary vocational, technical, or academic school.

“*Eligibility verification*” — A process of authenticating and validating the eligibility of participants.

“*Employability development plan (EDP)*” — A formalized, modifiable schedule of goals required for participants in all Title IIA and older individuals programs and Title III that includes: the planned outcome of the participant’s enrollment and the date it is expected to occur; the participant’s current status in relation to the planned outcome; and the steps that will be taken to achieve the planned outcome.

“*Employability profile*” — An individual progress record of ongoing competency attainment established to track and evaluate the participant’s progress toward planned goals.

“*Employed*” — Refer to “labor force status.”

“*Employment generating activity (EGA)*” means activities conducted for the purpose of encouraging expansion or creation of business which are not directly related to current employment and training opportunities for participants, but are intended to result in increased employment opportunities for JTPA eligible individuals.

“*Enrollment*” — The process whereby an eligible applicant becomes a participant.

“*Entered employment rate (Adult and Youth)*” means the number of adults (or youth) who entered employment at termination as a percentage of the number of adults (or youth) who terminated.

*“Entered unsubsidized employment”* — The category for participants who were terminated from the program and entered (through the efforts of the program staff or through their own efforts) full- or part-time unsubsidized employment. For JTPA reporting purposes, this term includes entry into the armed forces, entry into employment in a registered apprenticeship program, and becoming self-employed.

*“Entry level”* — The lowest position in any promotional line, as defined locally by collective bargaining agreements, past practice, or applicable personnel rules.

*“Experience in administering job training programs”* — Participation as a Prime Sponsor in the Comprehensive Employment and Training program, 29 U.S.C. 801 et seq. or participation as a member to a service delivery area’s consortium agreement under the Job Training Partnership Act.

*“Family”* — The maximum number of persons living in a single residence at any one time during the six-month income determination period, who are related to each other by blood, marriage, or adoption.

1. Step-child or a step-parent shall be considered to be related by marriage.
2. Foster children are not included in family size.
3. An individual not living in the residence but who was claimed as a dependent on the family’s federal income tax return for the previous year shall be presumed to be, unless otherwise demonstrated, a member of the family.

4. An individual who receives less than 50 percent of support from the family and who is not the principal earner nor the spouse of the principal earner, shall be considered a family of one.

5. A handicapped individual shall be considered a family of one.

*“Family income (annualized)”* — All income actually received from all sources by all members of the family during the six months immediately prior to application multiplied by two. When computing family income, income of a spouse and other family members shall be counted for the portion of the income determination period that the person was actually a part of the family unit of the applicant. Family income includes:

1. Gross wages, salaries, and vacation pay actually received, including OJT wages.
2. Net self-employment income.
3. Money received from sources such as net rents, OASI (old age and survivors insurance—Social Security Act, Title II, Section 402) pensions, alimony, governmental retirement payments, armed forces retirement payments (other than compensation for disability or death, per Title 30, U.S.C., Chapter 11), income from insurance policy annuities, and other sources of periodic income.
4. Payments received for participation in the National Guard or reserve activities.
5. Pay or allowance made to active members of the U.S. armed forces.
6. Profit sharing payments made by an employer at the time they are made accessible to the employee.
7. Interest and dividends earned.

Family income excludes:

1. Noncash income, such as food stamps or compensation received in the form of food or housing.
2. Tax refunds.
3. Public assistance payments.
4. Cash payments received pursuant to a state plan approved under Title IV, aid to families with dependent children; or XVI, supplemental security income for the aged, blind, or disabled of the Social Security Act, or disability insurance payments received under Title II of the Social Security Act or payments received under the Black Lung Benefits Reform Act of 1977 (Public Law 95-239).
5. Federal, state, local, or private unemployment benefits.
6. Payments, other than OJT wages, made to participants while enrolled in employment and training programs.
7. Proceeds from the sale of property, a house or car.
8. Capital gains and losses.

9. One-time and limited unearned income, such as, but not limited to: scholarship and fellowship grants; accident, health, and casualty insurance proceeds; disability and death insurance payments; awards and gifts; inheritances, including annuities; workers' compensation awards; terminal leave pay.

10. Pay or allowances previously received by any veteran while serving on active duty in the U.S. armed forces (U.S.).

11. Educational assistance and compensation payments to veterans and other eligible persons under Title 38, United States Code, Chapter 11, Compensation for Service Disability or Death; Chapter 13, Dependency and Indemnity Compensation for Service-Connected Deaths; Chapter 31, Training and Rehabilitation for Veterans with Service-Connected Disabilities; Chapter 32, Post Vietnam Era Veterans' Educational Assistance; Chapter 34, Veterans' Education Assistance; Chapter 35, Survivors' and Dependents' Educational Assistance; and Chapter 36, Administration of Educational Benefits.

12. Payments received under the Trade Act of 1974.

13. Payments received on behalf of foster children.

14. Child support payments.

15. Assets drawn down as withdrawals from a bank.

*"Family of one"* means an individual who is:

1. A foster child on behalf of whom state or local government payments are made; or

2. An individual who is 14 to 54 years of age, is not one of the parents of the family and receives less than 50 percent of support from the family.

3. An individual who is handicapped, as defined in these rules; or

4. An individual who is 55 years of age or older.

*"Family size"* means the maximum number of family members at any one time during the six-month income determination period.

*"Family status"* means the family situation of the individual at the time of application:

1. Single head of household. A single, abandoned, separated, divorced or widowed individual who has responsibility for support of one or more dependent children.

2. Parent in two-parent family. A parent in a family of three or more where both parents are present.

3. Other family members. A member of a family of two or more persons who does not fit into any of the other categories.

4. Nondependent individual. The participant or individual is either: living with family, 18 or older, receiving less than 50 percent maintenance from the family and not one of the parents of the family; or 14 or older and not living with family and is receiving less than 50 percent maintenance (e.g., shelter, food, clothing, etc.) from the family; or a foster child on behalf of whom state or local government payments are made.

*"Farm residence"* — A farm is identified on the basis of sales alone and is defined as any place which produced agricultural products with gross annual sales of \$1,000 or more.

*"Federal minimum wage rate"* — The applicable minimum hourly wage specified in Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

*"Follow-up"* — A procedure that involves the collection of employment-related information about a former participant, which shall be accomplished by contacting the former participant 13 weeks after termination.

*"Food stamp recipient"* means an individual who is receiving food stamps pursuant to the Food Stamp Act of 1977.

*"Foster care"* — Any person who is:

1. Less than 18 years of age; or 18, 19 or 20 who meets any of the following conditions:

Is in full-time attendance at an approved school pursuing a course of study leading to a high school diploma;

Is attending an instructional program leading to a high school equivalency diploma;

Had been identified by the director of special education of the area education agency as a child requiring special education; and

2. Is in receipt of substitute care furnished on a 24-hour-a-day basis, in a licensed foster care facility or approved shelter care facility, by a person or agency other than the child's parent or guardian, but does not include care provided in a family home through an informal arrangement for a period of less than 30 days. Child foster care shall include, but not be limited to, the provision of food, lodging, training, education, supervision, and health care.

*"General purpose business organizations"* — Organizations which admit to membership any for-profit business, without any preference or priority, which operates in the service delivery area.

*"Governor's coordination and special services plan"* — A plan prepared by the governor and submitted to the Secretary of Labor that contains explanations and criteria for coordinating JTPA programs with related human service resources in Iowa. The plan will cover two program years.

*"Grant recipient"* — The organization, corporation, agency or unit of government designated under an agreement between a private industry council and representative(s) of the parties to a 28E agreement to receive Job Training Partnership Act funds on behalf of a service delivery area of the state.

*"Handicapped individual"* — Any person who has a physical or mental disability, as defined by these rules, which constitutes a substantial barrier to employment and can benefit from the JTPA program as determined by the local administrative entity.

*"Immediate family"* means the following members of an individual's family: wife, husband, son, daughter, mother, father, brother, sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, or grandchild.

*"Indirect costs"* — Costs incurred for a common or joint purpose benefiting more than one cost category and not readily assignable to the cost categories specifically benefited.

*"Individual youth competency plan"* — A formalized schedule of goals which contains the following four elements:

1. A statement of the individual's needs which includes initial participant assessment of competencies possessed and deficiencies within all three of the competency categories.
2. A statement of one or more goals for the individual including what competencies are to be learned by the participant and identification of a specific occupational goal.
3. A description of the assessment method(s) that will be used to determine whether the goal(s) has been met.
4. A statement of activities and services which will be provided, including a description of the learning experiences which will lead to the attainment of competency goals and attainment of a specific occupation.

*"Institutionalized skill training (IST)"* — Vocational skill training normally conducted in an institutional setting, which is designed to provide individuals with technical skills and information required to perform a specific job or group of jobs.

*"Intake"* — Intake includes screening for eligibility; the initial determination as to whether the program can benefit the individual; the determination of the employment and training activities and services which would be appropriate for the applicant; the determination of the availability of an appropriate employment and training activity; a decision on selection; and dissemination of information on the program.

*"Job search (JS)"* — Training that provides participants with the necessary skills to look for and keep employment.

*"Job training plan"* — A written program of action, approved by the governor, which delineates the method of operation and proposed budget for JTPA Title IIA and IIB programs in a service delivery area.

*"Labor force status"* means the labor force status of the individual at the time of application:

1. Employed. An individual who, during the seven consecutive days prior to the application, did any type of work including: As a paid employee; in the individual's own business, profession or farm, or 15 or more hours as an unpaid worker in an enterprise operated by a member of the family; or an

individual who is not working, but has a job or business from which the individual is temporarily absent because of illness, bad weather, vacation, labor-management dispute, or personal reasons, whether or not paid by the employer for time off, and whether or not seeking another job; or members of the armed forces who have not been discharged or separated and participants in registered apprenticeship programs.

2. Unemployed. An individual who did not work during the seven consecutive days prior to application for a JTPA program, who made specific efforts to find a job within the past four weeks prior to application, and who was available for work during the seven consecutive days prior to application (except for temporary illness).

3. Not in labor force. A civilian 14 years of age or over who is not classified as employed or unemployed. This term includes persons who never work at a full-time job lasting two weeks or longer and “discouraged workers” who have been unemployed for a substantial length of time and are no longer actively seeking employment.

“*Labor market area*” — An economically integrated geographic area within which individuals can reside and find employment within a reasonable distance, or can readily change employment without changing their place of residence.

“*Limited English language proficiency*” — Any individual whose native language is not English and who is unable to communicate in English, which results in a job handicap.

“*Local elected official/private industry council agreement*” — An agreement between the local elected officials and the private industry council for determining the policies and procedures contained in the local job training plans.

“*Local elected officials (LEO)*” — County supervisors, except with respect to contiguous municipal corporations with a population of 200,000 or more that serve a substantial part of a labor market, in which case the mayor of that municipality(ies) is also a “local elected official.” LEOs must approve the local service delivery area’s local training plans and modifications before they are submitted to the governor.

“*Local factors*” means the elements used to calculate local adjustments to performance standards. The factors vary for each performance measure, but are always of two types: characteristics of participants and local economic conditions.

“*Local training plan*” — A written program of action approved by the governor which delineates the method of operation and proposed budget for a JTPA program in a service delivery area. The four types of local training plans are:

1. The Job Training Plan (JTP) is the designation given to the plan for the Title IIA and IIB program.

2. The Title III Plan is the designation given to the plan which describes the Dislocated Worker Center program.

3. The Older Individuals Training Program (3%) Plan is the designation given to the plan which describes the program funded under Title IIA which serves individuals aged 55 and over.

4. The State Education Coordination and Grants (8%) Plan is the designation given to the plan which describes the program funded under Title IIA to facilitate coordination of education and training services and provide education and training and related services to participants.

“*Long-term unemployed*” — Any individual who is unemployed at time of eligibility determination and has been unemployed for 15 or more of the 26 weeks immediately prior to such determination and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individual resides, including any older individual who may have substantial barrier to employment by reason of age.

“*Lower living standard income level (LLSIL)*” — The income level (adjusted for selected standard metropolitan statistical areas and regional metropolitan and nonmetropolitan differences and family size) determined by the secretary of labor, based upon the most recent lower living family (the other being “poverty level”) sets of income guidelines used in determination of eligibility for the JTPA program.

“*Management information system (MIS)*” means a system developed to record and process information used to report and evaluate program operations, activities, and delivery mechanisms.

“*Mental disability*” — A condition designated by vocation rehabilitation as constituting a substantial barrier to employment or a condition of being:

1. Mentally retarded (subaverage general intellectual functioning which originates during the developmental period and is associated with impairment in adaptive behavior);

2. Learning disabled (an impairment of one or more of the basic psychological processes involved in understanding or in using spoken or written language which may be manifested in an imperfect ability to listen, think, speak, read, write, spell, or to do mathematical calculations);

3. Emotionally maladjusted (a mental disorder caused by or associated with impairment of brain tissue function and disorders of psychogenic origin, which are disorders without clearly defined physical cause or structural change in the brain which interferes with the individual’s capacity to satisfactorily and consistently meet the ordinary personal, social, or vocational demands of life).

“*Metropolitan area*” means a place of 50,000 or more population, as defined in the most recent federal census or subsequent official update. If a county contains a metropolitan area of 50,000 or more, the entire county is considered a part of the metropolitan area.

“*Monitoring*” means the review of financial and program records and activities to provide technical assistance and ensure compliance with the local job training plans, state policies and procedures, and federal law and regulations.

“*Multiple regression analysis*” means a type of statistical analysis that takes multiple factors into account simultaneously in a single equation to determine their combined effect.

“*Needs-based payments (NBP)*” — Those payments made directly to participants to enable them to take part in JTPA training activities. These payments are to provide for general subsistence needs and additional expenses incurred from participation in JTPA training.

“*Offender*” — Any adult or juvenile, who is or has been subject to any stage of the criminal justice process, for whom services under this Act may be beneficial or who requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction.

“*Older individual*” — A person who is 55 years of age or older.

“*On-the-job training (OJT)*” — Training in the private or public sector given to a participant, who is hired by the employer when the training begins, and which occurs while the participant is engaged in productive work which provides knowledge or skills essential to the full and adequate performance of the job.

“*Outreach*” — An active effort on the part of program staff to encourage persons in the designated service delivery area to avail themselves of program services, such as counseling, employment, employment services, training, and other special program services, as appropriate.

“*Oversight*” — The review, monitoring, and evaluation of the JTPA program within each service delivery area. Oversight is the responsibility of the local elected officials, the private industry council, and the state.

“*Participant*” — For all other programs, an individual who is declared eligible upon intake, and receives employment, training or other services (except posttermination services) funded by such programs following intake, except that an individual who receives only outreach or intake and assessment services is not a participant. In addition, for programs under Title IIB, for participants under Title IIB, an individual who is enrolled in the participant pool.

“*Participant carried over*” means a participant for whom there was an active participant record on file at the end of the previous program year.

“*Participant pool*” means for Title IIB, a readily available supply of eligible participants from which individuals may be selected for enrollment into SYETP activities.

“*Participant property*” — Tools, equipment, or related items necessary for a participant’s personal use in training or employment subsidized by JTPA funds.

“*Participant services (PS)*” — Benefits in the form of payments made to participants or service providers for specific services which enable participants to take part in JTPA training activities. Participant services fall into three categories: support services, training services and needs-based payments.

*“Performance goals”* — A level of performance which program operators should strive to attain. Performance goals focus efforts upon intended outcomes, but may not be based upon previous actual performance, may be negotiable, and have no bearing upon the award of Title IIA incentive grants.

*“Performance measure”* — A federally defined category in which program performance is measured. There are four performance measures for adults (entered employment rate, cost per entered employment, average wage at placement, and welfare entered employment rate), and three for youth (entered employment rate, positive termination rate, and cost per positive termination). These performance measures are used in awarding Title IIA incentive grants, providing technical assistance, and imposing reorganization plans.

*“Performance standards”* — The quantifiable level of performance that program operators are expected to attain. Final performance standards established for Title IIA after the end of a program period based upon actual conditions during the program year are used to determine incentive awards, need for technical assistance, and whether imposition of reorganization sanctions are necessary.

*“Physical disability”* — A condition designated by vocation rehabilitation as constituting a substantial barrier to employment or a condition of being:

1. Crippled or health impaired;
2. Visually handicapped (Visual acuity of 20/70 or less in the better eye after the best correction);
3. Hearing handicapped (Any loss of hearing sufficient to interfere with communication);
4. Speech handicap. (A deviation in speech or voice to the degree that it draws attention to the manner of speech, interferes with the ability to comprehend or formulate speech, or causes the individual to become maladjusted in that person’s environment.)

*“Placement”* means synonymous with entered unsubsidized employment.

*“Positive termination rate”* means the number of youth who have a positive termination (either entered employment, met one of the employability enhancement definitions, or attained youth employment competencies recognized by the PIC) as a percentage of the total number of youth who terminated.

*“Poverty level”* — The annual income level at, or below, which families are considered to live in poverty, as determined by the office of management and budget (OMB).

*“Practicum”* — A period of exposure or experience at an actual work site which is required as an integral part of an institutional skill training curriculum.

*“Preemployment training (PET)”* — A broadly inclusive component which involves a variety of activities that are prerequisite to occupational skill training or job placement. These activities may include job seeking and job keeping skills, work habit training, career decision making, career assessment, and job placement.

*“Primary activity”* — An activity in which a participant is enrolled for more than 50 percent of the scheduled time. Other activities (less than 50 percent) may be scheduled simultaneously or sequentially.

*“Private industry council (PIC)”* — The group of persons in a service delivery area appointed to oversee (review, monitor, and evaluate) the programs conducted pursuant to that service delivery area’s local training plans. The PIC must also approve the local service delivery area’s local training plans and modifications before they are submitted to the governor.

*“Private sector”* — For purposes of the private industry councils, persons who are owners, chief executives or chief operating officers of private-for-profit employers and major nongovernmental employers, such as health and educational institutions or other executives of such employers who have substantial management or policy responsibility.

*“Procurement”* means a process used to obtain or purchase property or service providers.

*“Program year (PY)”* — The period of time beginning on July 1 and extending through June 30 of the following year.

*“Property”* — Tangible personal property having a useful life of more than one year and an acquisition cost of \$100 or more per unit.

*“Property management”* means the maintenance of records relating to the purchase, use and disposition of property.

*“Public assistance”* — Federal, state or local government cash payments for which eligibility is determined by a need or income test. Aid to dependent children (ADC) and supplemental security income (SSI) payments are examples of public assistance. Payments made to a third party (such as landlords, etc.) on behalf of an applicant or participant are not considered public assistance.

*“Public employment service”* — Job Service of Iowa.

*“Random sampling”* — For the purpose of verification, the process used in verification to obtain a representative portion of the active enrollments in a particular quarter. This process means that every individual in the SDA’s population to be sampled has an equal chance of being chosen and the selection of one individual is in no way tied to the selection of another.

*“Recently separated veteran”* — A veteran whose last date of discharge or release from the armed forces occurred within 12 months of the date of application.

*“Rehabilitation agencies”* — Includes the Iowa Department of Human Services, the Rehabilitation Education and Services Branch of the Department of Public Instruction (a.k.a. Vocational Rehabilitation) and local rehabilitation facilities and organizations).

*“Relocation assistance”* — The activities necessary to arrange for a family to move to a new abode for the purpose of accepting long-duration employment. Activities may include, but are not limited to: The cost of the actual transfer of goods and property, including mileage for the family’s travel; emergency assistance; rent subsidies; and other supportive services.

*“Remedial and basic skill training (RBST)”* — An activity designed to enhance the employability of individuals by upgrading basic academic skills.

*“Request for proposal (RFP)”* means a process used to solicit offers to provide training or services.

*“Residence”* — That place which the person declares is the person’s home with the intent to remain there permanently, or for a definite or indefinite or undetermined length of time.

*“Retraining”* — A program designed to assist individuals, who have received a layoff notice or have been laid off and who have little opportunity to be reemployed in the same or equivalent occupation within the labor market area, by providing them with new skills in occupations which provide a reasonable expectation of continued employment.

*“Selective service registrant”* means those individuals required by Section 3(a) of the Military Selective Service Act to present themselves for registration.

*“Self-employment income”* — The result of the comparison of gross receipts with expenses for the 12-month period immediately prior to application divided by two. Expenses must be directly related to producing or selling services, merchandise, or products and without which those items could not be produced or sold. If the self-employed individual suffered a loss, then that individual’s income is zero for computation purposes unless there are two or more self-employed individuals in the family. In this case, the loss of one can be used to reduce the profits of another family member’s income.

For purposes of determining self-employment income:

“Gross receipts” includes:

1. Payment received for services, merchandise or products.
2. Cash received for participating in a government subsidy program.

“Expenses” includes:

1. The cost of inventories and supplies purchased that are required for the business, such as items for sale or consumption of raw materials (e.g., seed, fertilizer, stock).
2. Wages, commissions and fringe benefits for employees.
3. The cost of facilities and land excluding household, in the form of rent or interest on mortgage or contract payments.
4. The cost of machinery and equipment.
5. The cost of insurance on facilities, machinery and equipment used to generate income.
6. The cost of repairs to facilities, machinery and equipment used to generate income.
7. That portion of utilities and property tax costs attributed to property and facilities used to generate income.
8. Other costs directly related to the production of income.
9. Repayment of crop commodity loans received under a government subsidy program.

“Unallowable expenses” includes:

1. Personal expenses such as income tax payments, health and life insurance payments, contributions to retirement funds, personal business and entertainment expenses, and personal transportation expenses.
2. Depreciation.
3. Payments on principal of all loans, except crop commodity loans.
4. Household expenses such as utilities, food, household insurance, charitable contributions.
5. Other costs not directly related to the production of income.

“*Service delivery area (SDA)*” — Those regions into which the state is divided and through which job training services are delivered. Each SDA must have a PIC, a 28E agreement, a LEO/PIC agreement, a job training plan, a grant recipient, an administrative entity, and service providers.

“*Service provider*” — Any person, organization, or other entity which receives a contract (financial or nonfinancial) under JTPA through an SDA grant recipient or JTPA grantees or contractors to carry out substantive work (e.g., employment, training, support services, purchases of supplies or equipment).

“*Share factor*” — A unit of measurement used in Iowa JTPA Title IIA programs to indicate a proportionate share of incentive grant funds to be awarded to an SDA that exceeds its performance standards.

“*Share unit*” — In Iowa JTPA Title IIA programs, a single unit of measurement that expresses the degree to which an SDA exceeded its performance standards in multiple performance measures.

“*Significant segments*” — The groups of the population identified in terms of the following demographic characteristics: Age, sex, race, and national origin.

“*Similarly employed*” — The status of a person who is working for the same employer as the participant, is doing the same type of work, and is similarly classified with respect to employment status (e.g., full-time, permanent, or temporary).

“*State administrative entity (SAE)*” means the department, workforce development department, administering the Job Training Partnership Act on behalf of the governor.

“*State goals and objectives*” — An annual statement prepared by the governor, establishing goals and objectives for job training and placement programs. The annual statement is also designed to assist the local service delivery areas in the preparation of their local training plans.

“*State job training coordination council (SJTCC)*” — A council established by the Act to provide advice to the governor on training, educational, and employment needs of the eligible residents of the state and evaluate the availability of such services. The council is also mandated to encourage coordination and establish linkages between the state, local elected officials, and the private sector.

“*Structural unemployment*” — Unemployment caused by a lack of training, skills, work history or vocational information, etc., coupled with a lack of the means to remove those barriers to employment.

“*Subrecipient*” — Any person, organization or other entity which receives financial assistance under JTPA through an SDA grant recipient. Where, in a service delivery area, the grant recipient and administrative entity are separate entities, the term “subrecipient” includes the administrative entity.

“*Subsidized employment*” — Employment created in the public sector as well as employment in private-for-profit organizations which is financed by the agency’s program funds. Subsidized employment includes work experience.

“*Substantial segment*” means the groups of the population identified in terms of the following demographic characteristics: age, sex, and ethnic group.

“*Summer program year (SPY)*” — The summer program year begins on October 1 and extends through September 30 of the following year.

“*Supplemental security income (SSI)*” — A type of public assistance authorized pursuant to a state plan approved under the Social Security Act, Title XVI. It is a federal income maintenance program for the aged, blind and disabled and is based on need.

“*Supportive services*” — Those services which are necessary to enable a participant to take part in a training activity, but are not actually used as a part of the training activity. Supportive services may

include: child care, health care, transportation, relocation, non-job-related counseling, clothing, residential and meals support, and miscellaneous services including bonding and license fees.

*“Targeted jobs tax credit (JTTC)”* — A program which gives employers tax credits for hiring individuals who possess characteristics which have been determined to represent barriers to employment. An example is ex-offenders (felons) who are economically disadvantaged.

*“Target groups”* means any group possessing an employment barrier which is identified by the Act or a local training plan and which will therefore receive special consideration in the provision of employment and training services.

*“Teenage parent”* — Any individual, under 20 years of age, who has responsibility for support of one or more dependent children.

*“Termination”* — The separation of a participant from a given title of the Act.

*“Termination/layoff notice recipient”* — Any individual who has (a) received a notice of termination or layoff from employment and is unlikely to return to the individual’s previous industry or occupation, or (b) received a notice of termination of employment, as a result of a permanent closure of a plant or facility.

*“Termination status”* means the circumstances under which a participant is terminated:

1. Administrative separation. Participant dismissed for reasons such as poor attendance, insufficient progress, etc.
2. Attained youth employment competency. Participant successfully attained all competencies for which a deficiency was identified during assessment.
3. Completed major level of education.
4. Cannot locate. Unable to locate participant to determine status.
5. Completed program objective (age 14-15 only). Participant completed program objective as defined in approved exemplary youth project plan and, at the time of entry into JTPA, was less than 16 years of age.
6. Completed training or program, not placed. Participant has successfully completed training or program paid for by JTPA, but has not found a job within allowable placement period.
7. Deceased.
8. Entered another employment and training program, non-JTPA. Participant enters another employment and training program not funded under JTPA.
9. Entered Armed Forces. Participant entered a branch of the United States Armed Forces or active duty.
10. Entered full-time school. Participant entered or continued school, either secondary or postsecondary, on a full-time basis.
11. Entered registered apprenticeship program. Participant entered an officially authorized apprenticeship program during which the participant will receive training in a skill with not less than 2000 hours of unsubsidized OJT and related theoretical instruction.
12. Entered unsubsidized employment. Participant entered full- or part-time employment not financed by JTPA.
13. Family care problems, including pregnancy. Participant has dependent care problems, including pregnancy, which prevent continued program enrollment or full-time employment.
14. Health problems. Participant had health problems which prevent continued program enrollment or full-time employment.
15. Ineligible. Participant was determined to not be eligible after enrollment.
16. Interpart transfer. Participant transfers from one program (i.e., A, B, 3%, 8%, 6%) under Title II to another Title II program.
17. Intertitle transfer. Participant leaves one JTPA title to enter another JTPA title.
18. Laid off. Participant was laid off by employer and no other JTPA services will be provided.
19. Moved from area. Participant left the area and discontinued participation.
20. Other. Participant fits in no other category. To be used when no other definition is appropriate.
21. Refused to continue. Participant elected to discontinue participation.

22. Returned to full-time school. Participant returned to full-time school and, at the time of eligibility determination, the participant was not attending school and had not obtained a high school diploma or equivalent.

23. Title IIB participant pool, no activities or services provided. Participant terminated from Title IIB participant pool without participating in an activity or receiving a service.

24. Transportation problems. Participant is prohibited from continued program enrollment or obtaining or keeping full-time employment due to lack of private or public transportation to or from work location.

*“Training services”* — Those services which are necessary to enable a participant to take part in a training activity and are actually used as a part of the training activity. Training services include job related counseling and occupationally required property.

*“Tryout employment (TE)”* — A short-term work assignment which allows an employer to evaluate a youth’s performance on-the-job, in the expectation that the employer will hire the youth. Tryout employment is limited to youth, aged 16 to 21.

*“Tryout employment compensation”* — Compensation in lieu of wages for individuals enrolled in tryout employment.

*“Twenty-eight E agreement (28E)”* — A contract formed in accordance with Iowa Code chapter 28E. This chapter allows units of local government to join together with other units of government or public or private agencies for the purpose of jointly exercising a power held individually by the units of government to the agreement.

*“UC claimant”* — Any individual who has filed a claim and has been determined monetarily eligible for benefit payments under one or more state or federal unemployment compensation programs and who has not exhausted benefit rights or whose benefit year has not ended.

*“UC exhaustee”* — Any individual who has exhausted his unemployment compensation benefits (not including extended, additional state, or federal supplemental benefits) for which the individual has been determined monetarily eligible.

*“Unit of local government”* — Under the Iowa JTPA program, this means a county, unless within that county, one municipal corporation or a consortium of contiguous municipal corporations acting jointly pursuant to a 28E agreement has an aggregate population of 200,000 or more and services a substantial part of a labor market area, in which case “unit of local government” means that municipality or consortium.

*“Universe size”* — For purposes of verification, the total number of new participants enrolled and still active in all JTPA titles during the current quarters.

*“Unsubsidized employment”* — Employment not financed from funds provided under the job training partnership Act.

*“Upgrading”* — A program designed to assist persons who are currently working by providing them with positions of greater skill, responsibility, remuneration, or career advancement in the company by which they are presently employed.

*“Veteran”* — An individual who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable. As used herein, the term “active” means full-time duty in the armed forces, other than duty for training in the reserves or National Guard. Any period of duty for training in the reserves or National Guard, including authorized travel, during which an individual was disabled from a disease or injury or aggravated in the line of duty, is considered active duty.

*“Veteran status”* means the veteran status at the time of application:

1. Veteran. An individual who served in the active military, naval, or air service and who was discharged or released therefrom under conditions other than dishonorable. NOTE: The term “active” means full-time duty in the armed forces, other than duty for training in the reserves or National Guard. Any period of duty for training in the reserves or National Guard, including authorized travel, during which an individual was disabled from a disease or injury incurred or aggravated in the line of duty, is considered “active” duty.

2. Recently separated veteran. A veteran whose last date of discharge or release from the armed forces occurred within 12 months of the date of application.

3. Disabled veteran. A veteran who is entitled to compensation under laws administered by the Veterans Administration, or an individual who was discharged or released from active duty because of a service connected disability.

4. Vietnam-era veteran. A veteran any part of whose active military, naval, or air service was during the Vietnam era (August 5, 1964, to May 7, 1975, per Presidential Proclamation 4373).

*"Vietnam-era veteran"* — A veteran any part of whose active military, naval, or air service was during the Vietnam era (August 5, 1964, through May 7, 1975, per Presidential Proclamation 4373).

*"Vocational exploration (VE)"* — An activity which is conducted at an actual work site or work sites for the purpose of exposing the participant to one or more jobs through observation of such jobs, instruction, and, if appropriate, limited practical experience.

*"Welfare entered employment"* means the number of adult welfare recipients who entered employment at termination as a percentage of the number of adult welfare recipients who terminated.

*"Welfare recipient"* — An individual who receives or whose family receives cash payments under AFDC (SSA Title IV), general assistance (state or local government), or the Refugee Assistance Act of 1980 (PL 96-212). For proposed performance standards, this term excludes recipients of SSA (SSA Title XVI).

*"WIN registrant"* means ADC recipients who are required to, or have, registered for WIN in counties where a WIN program exists and, in counties where there is no WIN program, those who would be required to register if WIN existed in those counties.

*"Work experience (WE)"* — A short-term or part-time assignment used to enhance participant's employability through the development of good work habits and basic work skills.

*"Youth"* — An individual who is aged 14 to 21.

*"Youth employability enhancement termination"* — An outcome for youth, other than entered unsubsidized employment, which is recognized as enhancing long-term employability and contributing to the potential for long-term increase in earnings and employment.

This rule is intended to implement Executive Order 47 and 29 U.S.C. 1501 et seq.

**345—14.4(7A, 29 U.S.C. 1501 et seq.) State job training coordinating council.** Pursuant to Executive Order 47, there is created, within executive offices of the state, the State Job Training Coordinating Council (SJTCC). Laws, regulations and orders governing the composition, functions, powers and purposes of SJTCC are found in Section 122 of JTPA (29 U.S.C. 1532), 20 CFR Parts 627 and 628, and Executive Order 47. Bylaws, minutes of meetings, meeting agenda and other matters of public information are available on written request at the council's address, Division of Job Training, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309.

This rule is intended to implement Executive Order 47 and 29 U.S.C. 1501 et seq.

**345—14.5(7A, 29 U.S.C. 1501 et seq.) Service delivery area designations.**

**14.5(1) Governor's proposed service delivery areas.** After receiving the recommendations of the state job training coordinating council the Iowa department of economic development shall publish in a daily newspaper of general circulation in the state the governor's proposed designation of service delivery areas.

**14.5(2) Public comment.** Units of local government, business organizations, and other affected persons or organizations may make written comments on the proposed service delivery areas to the Division of Job Training, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309 no later than 30 days from the date of publication under 14.5(1) above.

**14.5(3) Petitions for alternative service delivery area designation.** No later than 30 days from the date of publication of the governor's proposed designation of service delivery areas any unit of general local government or consortium of contiguous units of general local government which serves a substantial portion of a labor market area may petition for alternative service delivery area designation.

Petitions under this subrule shall be submitted to the Director, Division of Job Training, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309, and shall include:

- a. The name or names of the unit or units of general local government in the proposed alternative service delivery area.
- b. The aggregate population of that unit or units according to the 1980 U.S. Census data.
- c. In the case where the proposed alternative service delivery area contains more than one unit of general local government or less than 200,000 aggregate population, a statement describing how the proposed alternative service delivery area serves a substantial portion of a labor market area.
- d. A statement indicating how the proposed alternative service delivery area will promote effective delivery of job training services.
- e. In the case where the proposed alternative service delivery area represents a consortium of units of general local government, a letter of intent executed pursuant to law by each unit of general local government in the proposed alternative service delivery area which indicates that each such unit:
  - (1) Endorses the petition.
  - (2) Will timely amend its consortium agreement, to conform to Iowa Code chapter 28E and these rules.

**14.5(4) *Appeal of petition for alternative service delivery area designation.*** Where the governor denies a petition for alternative service delivery area designation, which alleges—

- a. The petitioning unit of general local government has a population of 200,000 or more, or
- b. The petitioning consortium of contiguous units of general local government has an aggregate population of 200,000 or more and serves a substantial part of a labor market area, the petitioning entity may appeal the denial to the Secretary, U.S. Department of Labor, Washington, D.C. 20210. To be heard, the appeal must be filed within 30 days of receipt of such denial.

**14.5(5) *Publication of final service delivery area designations.*** After the governor makes a final designation of service delivery areas in the state, the Iowa department of economic development shall cause to be published notice of the same in a daily newspaper of general circulation in the state.

This rule is intended to implement Executive Order 47 and 29 U.S.C. 1501 et seq.

**345—14.6(Executive Order 47,7A,7B, 29 U.S.C. 1501 et seq.) Service delivery area redesignation.**

**14.6(1)** An SDA will be redesignated by merging its counties into one or more other SDAs if the PIC and the appropriate chief elected official or officials fail to reach an agreement on the PIC/LEO agreement, the job training plan, or if all units of local government choose to opt-out of an SDA or if they are unable to find a grant recipient.

**14.6(2)** The governor may act as the chief elected official in an SDA that is to be redesignated until redesignation occurs.

**14.6(3)** Redesignation will occur no later than 120 days after it has been determined that redesignation is necessary.

**345—14.7(29 U.S.C. 1501 et seq.) Consortium agreements.**

**14.7(1) *Submission date.*** Subject to subrules 14.6(2) and 14.6(3), units of general local government in a final service delivery area shall, jointly with all other such units in the final service delivery area, submit within 30 days from the date of publication of the final service delivery area designation a consortium agreement which satisfies Iowa Code chapter 28E and these rules.

**14.7(2) *Extension.*** Where the units of general local government provide evidence of just cause, the governor may, in the governor's discretion, extend the 30-day consortium agreement submission date.

**14.7(3) *Election not to participate.*** Where a unit of general local government in a service delivery area does not wish to participate in the Iowa Job Training Partnership Act program by entering a consortium agreement such unit shall by board resolution or other appropriate legal action indicate its election to not so participate. Proof of adoption of a resolution electing not to participate shall be submitted within 30 days of the publication of the final service delivery area designation to the governor. During

the program year October 1, 1983, to June 30, 1984, such an election shall act as a bar to that unit's participation in the Iowa Job Training Partnership Act program for four months. Thereafter, such election shall be effective for one year.

**14.7(4) Elements of LEO agreements.** In addition to conforming to Iowa Code chapter 28E, each JTPA 28E LEO agreement must contain the following elements:

*a.* Designation of the person or persons who will serve as the chief elected official(s) who will be responsible for the following:

1. Making appointments to the PIC;
2. Developing an agreement with the PIC;
3. Approving and signing local training plans; and
4. Negotiating with the PIC.

*b.* Apportionment of responsibility and liability among the participating units of government for any losses, expenses, and burdens which may result from the consortium involvement in the JTPA program.

**14.7(5) Consortium agreement approval.** Before a consortium agreement required by this rule shall be operational, it shall be submitted to and approved by the Workforce Development Department, 100 Des Moines Street, Des Moines, Iowa 50319.

This rule is intended to implement Iowa Code section 7A.3 and the Governor's Executive Order 47 (1982).

**345—14.8(17A,7A,7B, 29 U.S.C. 1501 et seq.) Private industry council.** Within each service delivery area there shall be established a private industry council formed in accordance with 29 U.S.C. 1512 and these rules, and functioning in accordance with 29 U.S.C. 1513. Appointees to nonprivate sector positions on a private industrial council shall exclusively represent on that council one and only one organization or agency listed in 29 U.S.C. 1512(a)(2). Appointees to private sector positions on a private industry council shall exclusively represent the private sector.

**14.8(1) Composition of the PIC.**

*a.* To comply with the requirements of the JTPA there must be six public or private sector members on each PIC and the private sector representatives must constitute a majority of the membership. Thus, the PIC must have a minimum of 13 members.

*b.* In order to maintain the partnership between the PIC and LEOs, certain LEOs may not serve on the PIC. Any local elected official who is:

- (1) A member of a unit of government which is a party to a JTPA 28E LEO agreement and
- (2) Has been designated as a chief elected official or is a member who serves in an executive capacity for the LEOs may not serve on the PIC. For the purpose of this subsection "executive capacity" means a member of an LEO Executive Board, Executive Committee, or other LEO executive body whereby that executive division has the authority to negotiate with the PIC, approve the PIC/LEO agreement or vote to approve/disapprove the SDA's job training plan developed by the PIC, or otherwise act on behalf of the LEOs in the partnership with the PIC.

*c.* It is permissible for local elected officials to serve on the PIC if:

1. The individual represents one of the seven groups designated in the Act and the individual is nominated and appointed in a manner consistent with the Act and the local elected official is not serving on an LEO board in an executive capacity as defined in "b"(2) above, or
2. The LEO is serving in an executive capacity, but is serving on the PIC as an ex officio member.

**14.8(2) Selecting PIC members.**

*a.* Whenever a new position is created or a vacancy occurs on a PIC because of a resignation, death, removal of a member for cause, end of tenure or other reason, the division administrator of the division of job training must be notified in writing of the position within seven days of the position becoming vacant. This notification must come from the chief elected official (CEO) or someone designated by the CEO to notify the state administrative entity.

b. The chief elected officials must appoint a new member to fill the position and submit a “Request for Private Industry Council Certification” to the state administrative entity within 45 days of the position becoming open.

c. Printed copies of “Request for Private Industry Council Certification” forms shall be available from the Workforce Development Department, 100 Des Moines Street, Des Moines, Iowa 50319. This form shall be used by the official(s) who appointed the private industry council in each service delivery area when applying for private industry council certification. All information requested by the form shall be supplied in full. When requested, the official(s) submitting the request for certification shall also submit copies of all letters of nomination for all nominees to the private industry council.

**14.8(3) PIC nomination process.**

a. Nominations to the nonprofit or public PIC positions must come from the interested organizations. For example, nominations to education positions must come from educational agencies and institutions and labor representative position nominees must come from recognized state and local labor organizations.

b. Nominations are good for 90 days. After the 90-day period, nominations expire and must be resolicited.

**14.8(4) Appointment and certification.**

a. After selecting PIC members from the nominees submitted, local elected officials must submit those names to the state administrative entity for certification.

b. Since the composition of the membership of the PIC is mandated by law, whenever a PIC is not composed of the required representatives in the proportion required, the PIC is out of compliance with the Act.

c. If the appointment and request for certification is not completed within the 45-day time period, the PIC will be found in nonconformance and the procedure for PIC decertification will be initiated, unless the vacancy which needs to be filled is not necessary for compliance (i.e., if the vacant position is one of two educational agency representatives, it would not have to be filled in order to make the PIC in compliance).

d. A newly appointed PIC member may not vote on issues before the PIC until the state administrative entity certifies the appointment of that member.

e. No change in the size, membership, chair or composition of a PIC shall be valid and effective until approved in writing by the state administrative entity.

**14.8(5) PIC decertification.** If at any time the state administrative entity determines that a PIC does not conform with JTPA or state or federal regulations promulgated under JTPA, it shall give that PIC a written “notice of nonconformance” which shall state the deficiency and shall allow a period of time in which to correct the deficiency. Failure to satisfy the “notice of nonconformance” within the time period allowed is grounds for the decertification of the PIC.

This rule is intended to implement Iowa Code section 7A.3, chapter 7B, Executive Order 47 (1982) and the Job Training Partnership Act, Public Law 97-300(29 U.S.C. 1501 et seq.)

**345—14.9(17A,7A,7B, 29 U.S.C. 1501 et seq.) Private industry council/local elected official agreement.** The local JTPA program is operated as a partnership between the PIC and LEOs. This partnership is formed by an agreement between the PIC and LEOs which outlines procedures for developing the local job training plans for all JTPA titles and programs in the SDA and which provides for the selection of the grant recipient, administrative entity and Title III grantee.

**14.9(1) Elements.** The PIC/LEO agreement must include, at a minimum, the following elements:

a. Local training plan development procedure. The agreement must include a determination as to who (PIC members, elected officials, grant recipient staff, administrative entity staff, consultants, etc.) will be involved in the preparation of the various job training plans.

b. Selection of Title III grantee. The agreement must include the method by which the required request for proposal procedure to determine the Title III grantee will be implemented. The grantee chosen must meet one of the conditions for qualifications as a JTPA grantee which are listed in the administrative rules governing Title III.

c. Selection of the grant recipient and administrative entity for Title II. The agreement must specify which entity or entities will act as the grant recipient and administrative entity for the Title II programs or the process by which they will be chosen.

d. Policy guidance. The PIC and LEOs must agree on how policy guidance will be provided for the SDA's JTPA program. This effort could entail periodic meetings between representatives of each group to coordinate their policy recommendations for the administrative entity. Alternatively, either group could be designated to take the lead in guiding policy and establishing a systematic method to keep the other group informed and provide for its input.

e. Oversight. As with policy guidance, both the PIC and the LEOs are responsible for oversight of the program. The agreement must state who will conduct oversight, how and when it will occur. Oversight is defined as reviewing, monitoring, and evaluating the JTPA program within the SDA. The PIC and LEOs may perform the oversight function jointly or one body may take the lead and keep the other informed. In any event, the PIC may not be circumvented with regard to its oversight function.

f. Lines of communication. Regardless of how the LEOs and the PIC decide to coordinate individual responsibilities, the agreement must contain the method by which the PIC and the LEOs will keep each other informed. These procedures could include an indication of who is responsible for initiating communication, at what intervals, by what means (personal meetings, written reports, etc.), and issues that should be reviewed on a regular basis.

g. Development of the local job service plan. The Act requires the local job service plan to be developed jointly with the LEOs and the PIC of each SDA. The agreement must indicate the procedure for participating in the development of the job service plan.

h. Period of agreement. The period of time covered by the agreement must be stated.

**14.9(2) Revisions or modifications.**

a. This agreement should be reviewed and modified, as necessary, prior to the planning cycle each program year.

b. If the LEO/PIC agreement is rewritten or modified, a copy of the agreement must be sent within 30 days of its execution to: Workforce Development Department, 100 Des Moines Street, Des Moines, Iowa 50319.

**345—14.10(7A,7B, 29 U.S.C. 1514) Job training plan.** Pursuant to the agreement made in accordance with rule 14.9(17A,7A,7B, 29 U.S.C. 1501 et seq.) there shall be developed for each service delivery area a job training plan which shall meet the requirements of 29 U.S.C. 1514 and these rules, and shall be signed by the chairperson of the PIC and the chief elected official(s).

**14.10(1) Where submitted.** The job training plan and all modifications thereto shall be submitted to the Workforce Development Department, 100 Des Moines Street, Des Moines, Iowa 50319.

**14.10(2) Submittal date.** The job training plan shall be submitted no later than 80 days prior to July 1 of the program year for which it was developed. An original and four copies of the final plan must be submitted to the governor via the state administrative entity.

**14.10(3) Failure to submit or gain approval.**

a. The plan will be approved or disapproved within 30 days of submittal.

b. If a plan is disapproved, it must be revised. The revision need only include the pages on which changes had to be made. The entire plan does not need to be resubmitted. The revision must be clearly marked as such and resubmitted within 20 days from the date of disapproval.

c. Resubmitted plans must be signed by the PIC chairperson and chief elected official. After resubmittal, the final determination approving or disapproving the plan will be made within 15 days.

**14.10(4) Local documentation.** Each party to the job training plan shall ensure adherence to the job training plan public review and comment process as mandated by 29 U.S.C. 1515 and shall document that adherence and retain copies of all written comments received. Proof of publication of the availability for review of the proposed and final job training plan, as required by 29 U.S.C. 1515, shall accompany each job training plan submitted.

**14.10(5) Modifications.** Modifications to a job training plan may be made where they are:

a. Agreed to and signed by the PIC and the local elected official(s);

- b. Published no later than 80 days before it is effective; and
- c. Not disapproved by WDD prior to implementation.

This rule is intended to implement Executive Order 47 and 29 U.S.C. 1501 et seq.

**345—14.11(7A, 29 U.S.C. 1514) Job training plan elements.** To be approved, each Title II job training plan shall comply with 29 U.S.C. 1514 and contain the following elements.

**14.11(1) Grant recipient and administrative entity designation.** The plan shall identify the grant recipient of funds from the state and administrative entity who will administer the program. The roles of grant recipient and administrative entity may be assigned to separate organizations or a single entity may serve in both capacities. No plan shall be submitted or approved by the governor unless the grant recipient therein designated is a legal entity which:

- a. Has the power to levy taxes in a political subdivision of the state and to spend funds to meet potential liabilities arising under JTPA in that service delivery area, or
- b. Has an agreement with an entity possessing the powers to levy taxes in a political subdivision of the state and to spend funds whereby the agreement ensures that the tax levying entity pay the grantee's liabilities arising under the JTPA.
- c. Has submitted its most recent audit report and a financial statement which includes a current balance sheet showing assets exceeding liabilities by an amount equal to 25 percent of that service delivery area's annual grant award, or
- d. Agrees to purchase, with WDD approval, from non-JTPA funds audit exception insurance covering a minimum of 25 percent of the service delivery area's annual grant award.

**14.11(2) Description of programs and services.** Each plan shall contain a description of programs and services in detail sufficient to provide a comprehensive statement of Title II job training partnership activities in the service delivery area. The description shall include:

- a. *Service delivery system.* The plan shall contain a description of the delivery structure, the overall approach toward administering the job training programs employed in the service delivery area. This should include details of whether all or part of the program will be subcontracted, and, if so, the subcontractors' roles and responsibilities within the program should be described.
- b. *Activities and services description by program.* Each plan shall provide information in sufficient detail to determine compliance with applicable laws and regulations on each program and each special project operated under Title II in the service delivery area. There are four programs possible: comprehensive adult, comprehensive youth, exemplary youth, summer youth employment and training. The plan must list the activities and services to be provided under each program. The job training plan must also outline any special programs or projects which will be operated in the SDA or describe the procedure by which programs or projects will be developed and implemented.

(1) The JTPA specifies that an administrative entity shall not fund any occupational skills training program unless the level of skills provided in the program are in accordance with guidelines established by the PIC. Beginning with program year 1986 the plan must describe how the PIC will ensure that the level of skills provided in occupational skills training programs are appropriate.

(2) If a plan provides for needs-based payments, the plan must indicate the procedure by which eligibility and the amount payment will be equitably determined, documented and maintained in the participant file. The procedure shall take into account the individual participant's circumstances, which should include the participant's or the participant's family's cost of housing, food, health care, child care, transportation and clothing, as well as income available to meet subsistence needs, including supportive services paid under the job training partnership Act or other state or federal programs. Although the needs-based payment description does not need to include specific amounts or limitations on needs-based payments, the circumstances or system by which such amounts or limitations may be established or changed must be described and a system for reducing payments due to nonattendance must be detailed.

(3) If a plan provides for support and training services, the plan must describe a procedure for determining who will receive these services and how much they will receive. If needs-based payments

are also available, the method for determination of support and training services must be coordinated with the needs-based payments formula.

*c. Participant service levels.* Each plan shall make efforts to provide equitable services among substantial segments of the eligible population and describe how this level of service is determined, monitored, and maintained. Where a program intends to target groups of individuals having specific barriers to employment, a description of these efforts and goals should be included in the plan. Additionally, the following data must be provided:

- (1) The number of participants in each program;
- (2) The estimated duration of participant involvement in each program;
- (3) The estimated cost per participant in each program;
- (4) The number of WIN registrants for counties that do have a WIN program and the number of those who would be required to register in counties not having a WIN program in proportion to the number of economically disadvantaged persons 16 years of age or older in the SDA;
- (5) The number of school dropouts to be served in proportion to the number of economically disadvantaged persons 16 years of age or older in the SDA.

*d. Administrative services.* Each JTP must include a statement assuring compliance with Title VII of the Civil Rights Act of 1964 as amended, the Age Discrimination in Employment Act of 1967 as amended, Executive Order 11246 as amended, Section 503 of the Rehabilitation Act of 1973 as amended, Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 504 of the Rehabilitation Act of 1973 as amended and Title VI of the Civil Rights Act.

**14.11(3) Participant eligibility, selection and verification description.** Each job training plan shall describe the method by which each program applicant's eligibility will be determined and each participant's eligibility reviewed and verified.

*a. Eligibility of nonresidents.* Each plan shall describe the extent to which nonservice delivery area residents will be served.

*b. Eligibility of those not economically disadvantaged.* Where a plan proposes to serve individuals who are not economically disadvantaged as allowable under 29 U.S.C. 1603(a), the plan shall either:

- (1) Identify those barriers to employment which will justify enrollment; or
- (2) Describe the procedure by which such barriers to employment will be identified by either the service delivery area, private industry council or local elected officials prior to enrollment.

*c. Applicant identification and eligibility determination.* Each plan shall describe the procedures for determining eligibility in the application process, including outreach efforts, applicant flow, documentation requirements, the position of those responsible for eligibility determinations and the steps in the process.

(1) The administrative entity is responsible for all eligibility determinations within the SDA, but it may permit other organizations to make them if: it provides for reasonable safeguards, including provisions for reimbursement of costs incurred because of erroneous determinations made with insufficient care, and these are included in an approved job training plan.

(2) If an organization other than the administrative entity will be doing eligibility determination the arrangement must be described in the job training plan.

*d. Selection.* Each plan must describe a process, consistent with the federal laws mandate of servicing those who are most-in-need of and can benefit from employment and training opportunities, for selecting participants from those eligible applicants identified. The plan must describe factors which will be used to determine "who can benefit" and criteria which will be used in making judgments about "most-in-need."

*e. Eligibility review.* Each plan shall describe a procedure for review of each eligibility determination by someone other than the individual(s) responsible for the initial eligibility determination. The description shall include the position of those responsible for the review and the time period in which it will be completed.

*f. Eligibility verification.* Quarterly, a random sample, by program, of a least 10 percent of all participants newly enrolled during the quarter who are still active must receive a verification of all eli-

gibility criteria. The procedure for performing and documenting verification (who, when and how) must be described in the plan.

**14.11(4) Performance goals.**

a. National standards. The Act requires that each plan set performance goals for each program year and summer program year. Performance goals must be developed by the PIC and LEOs using the standard methodology developed by the Department of Labor. That methodology is based on participant characteristics and local economic conditions.

(1) The performance measures for Title IIA adult are:

1. Entered employment rate
2. Cost per entered employment
3. Average wage at placement
4. Welfare entered employment rate

(2) The performance measures for Title IIA youth are:

1. Entered employment rate
2. Positive termination rate
3. Cost per positive termination

(3) The performance measures for the Title IIB summer youth employment and training program are:

1. Entered employment rate
2. Positive termination rate
3. Cost per positive termination

(4) No national standards or methodology for developing standards have been established for Title IIB. The PIC and LEOs may use whatever performance goals they deem appropriate for Title IIB.

b. State goals. It is the policy of the agency, SJTCC and the governor to increase, or at a minimum, maintain the level of on-the-job training activity currently conducted in each SDA. Each area will be provided with benchmark figures based upon previous performance. These figures may be used to develop Title IIA OJT goals in the job training plan for each program year.

c. Local goals. The Act allows employment competencies recognized by the PIC as part of the performance measurements for youth programs. If youth competencies are being established in the SDA, the JTP must include either the competencies recognized by the PIC for this purpose or the method by which the PIC will identify them. The plan may also include additional performance goals established by the PIC and LEOs.

**14.11(5) Service provider selection.** Each plan must describe the process by which service providers will be selected. The process shall:

a. Take into account the factors listed in 29 U.S.C. 1517;

b. Describe the procedures which will be followed with regard to contract approval over \$25,000, and property approval over \$500.

c. Describe procedures which follow OMB Circular A-102, Attachment O, when selecting service providers through the request for proposal, sole source or other methods allowable thereunder;

d. Describe efforts that will be made to avoid conflict of interest or the appearance of conflict of interest in the awarding of service provider contracts.

**14.11(6) Budgets.** Each plan shall contain a budget breakout for two program years, two summer program years, and proposed expenditures for the succeeding two program years, and summer program years, and estimated carryover from prior program years and summer program years. In addition all job training plans shall:

a. Contain budgets that reflect the limits on allowable costs as set by federal law and local policy;

b. Where the private industry council has initiated an action to exceed federal limitations for Title IIA participant support costs, state the amount by which the limitation will be exceeded and provide documentation that the excess costs are due to one or more of the following conditions:

(1) An unemployment rate (in the service delivery area or that portion within which services result in excess costs are to be provided) which exceeds that national average unemployment rate by at least

three percentage points, and the ratio of current private employment to population in such area or portion is less than the national average of such ratio.

(2) The job training plan for such area proposes to serve at least 65 percent of all participants from groups requiring exceptional supportive service costs, such as handicapped individuals, offenders, and single heads of households with dependent children.

(3) The cost of providing necessary child care will exceed one-half of the participant support budget.

(4) The costs of providing necessary transportation will exceed one-third of the participant support budget.

(5) At least 25 percent of the participants to be enrolled in programs in the service delivery area are in training programs of nine months' duration or more.

While the job training plan may request authorization to exceed the participant support cost limitation for both program years, the governor will only approve or disapprove the request for one program year at a time. The request for the second program year will be approved or disapproved based upon updated terminated participant information, changes in local or national conditions and final allocations for the second program year.

c. Describe what actions will be taken if it appears that expenditures will exceed the participant support limitation outlined in the budget; and

d. Identify the amount of administrative funds to be set aside for use by the private industry council in carrying out its functions under the Act.

**14.11(7) Coordination.** No elements of the JTP may conflict with the coordination criteria contained in the Governor's Coordination and Special Services Plan (GCSSP). The JTP must identify methods (who and how) which will be used to ensure compliance with the coordination criteria contained in the GCSSP.

**14.11(8) Inter-SDA cooperation.** Each job training plan shall describe the action that will be taken to develop inter-SDA cooperative agreements regarding participant referrals, job development, and skill training. Methods for coordinating participant referrals should correspond to the SDA's policy on serving non-SDA residents.

**14.11(9) Financial management.** Each job training plan shall describe the service delivery area grant recipient's and administrative entity's procedures conforming to the financial management standards and procedures section of these rules. The plan must detail the flow of funds from the state to the grant recipient and administrative entity to service providers and participants, including personnel positions responsible for the receipt of funds, the authorization of payments, claims review, the recording of transactions, and signing of checks. The financial management section of the plan shall also:

a. Describe accounting procedures, including a description of registers, ledgers, time and attendance reports, source documentation requirements, inventory controls and check controls, which shall contribute to the overall fiscal integrity of the job training program in the service delivery area through accurate, complete, and current accounting records.

b. Describe how and when audits, both financial and compliance, will be conducted and resolved in accordance with the financial management standards and procedures section of these rules. The plan must also describe audit resolution procedures.

c. Describe procedures for collection of overpayments, misspent funds and other debts which ensure prompt, appropriate, and aggressive actions will be taken to recover funds due.

**14.11(10) Annual report.** Each plan shall indicate what entity and personnel positions will be responsible for preparing and submitting by September 15 of each program year an annual report to the governor which shall include those elements outlined in the "State Reports" section of the Iowa JTPA Handbook distributed to each SDA.

**14.11(11) Optional elements.** The plan may also contain other elements to facilitate the LEO's and PIC's policy guidance and oversight function. The extent to which these optional elements are included in the SDA's plan is left to the discretion of the LEOs and PIC.

**345—14.12(7B, 29 U.S.C. 1651 et seq.) Title III program.**

**14.12(1)** Funds are allocated under Title III for the statewide operation of programs providing activities and services to dislocated workers. Programs will be operated in each service delivery area through a dislocated worker center which will be selected by the PIC and local elected officials through a request for proposal (RFP) process that meets state procurement standards.

**14.12(2)** By March 3 of each program year, a notification that the Title III plan is being drafted must be published in at least one newspaper of general circulation within the SDA. The notification must solicit comments from appropriate local educational and other public agencies in the SDA and labor organizations in the area representing employees having the skills for which training is proposed.

**345—14.13(7B, 29 U.S.C. 1651 et seq.) Title III dislocated worker center program plan.** Pursuant to the agreement made in accordance with rule 14.9(17A,7A,7B, 29 U.S.C. 1501 et seq.) there shall be developed by the PIC and local elected officials a Title III plan which shall meet the requirements of 29 U.S.C. 1651 et seq. and these rules and shall cover one program year. The plan must be signed by the chairperson of the PIC and the chief elected official(s).

**14.13(1) Where submitted.** The Title III plan and all modifications shall be submitted to the Workforce Development Department, 100 Des Moines Street, Des Moines, Iowa 50319.

**14.13(2) Submittal.** The Title III plan shall be submitted no later than 80 days prior to July 1 of the program year for which it was developed. An original and four copies of the final plan must be submitted to the governor via the state administrative entity. The plan must be signed by the PIC chairperson and chief elected official. The submittal must include documentation that notification has been published as described in subrule 14.12(2).

**14.13(3) Failure to submit or gain approval.**

*a.* Failure to submit a plan within the timeline established under subrule 14.13(2) or failure to gain approval of a plan by the first day of the program year for which it was developed shall empower the governor to directly contract for Title III services, consistent with 29 U.S.C. 1652-1657.

*b.* The plan will be approved or disapproved within 30 days of submittal.

*c.* If a plan is disapproved, it must be revised. The revision need only include the pages on which changes had to be made. The entire plan does not need to be resubmitted. The revision must be clearly marked and resubmitted within 20 days from the date of disapproval.

*d.* Resubmitted plans must be signed by the PIC chairperson and chief elected official. After resubmittal, the final determination approving or disapproving the plan will be made within 15 days.

**14.13(4) Modifications.** Modifications to a Title III plan may be made where they are:

*a.* Agreed to by the PIC, the local elected official(s) and signed by those parties;

*b.* Submitted to WDD at least 15 days prior to implementation; and

*c.* Not disapproved by WDD prior to implementation.

This rule is intended to implement Executive Order 47, Iowa Code chapter 7A, and 29 U.S.C. 1651 et seq.

**345—14.14(7B, 29 U.S.C. 1651 et seq.) Title III dislocated worker center program plan elements.** To be approved, each Title III plan shall comply with 29 U.S.C. 1651 et seq., Iowa Code chapters 7A, 7B, and this chapter, and contain the following elements:

**14.14(1) Dislocated worker center grantee designation.** Each plan shall identify the dislocated worker center grantee that will receive funds from the state to operate the Title III program. A request for proposal (RFP) shall be used to select the dislocated worker center. A copy of the RFP must accompany the submittal of the plan. No plan shall be submitted or approved by the governor unless the dislocated worker center grantee designated therein is a legal entity which:

*a.* Has the power to levy taxes in a political subdivision of the state and to spend funds to meet potential liabilities arising under Title III in that service delivery area, or

*b.* Has an agreement with an entity possessing the power to levy taxes in a political subdivision of the state and to spend funds whereby the agreement ensures that the tax levying entity pay the grantee's liabilities arising under the JTPA, or

c. Has submitted its most recent audit report and a financial statement which includes a current balance sheet showing assets exceeding liabilities by an amount equal to 25 percent of that service delivery area's annual Title III grant award, or

d. Agrees to purchase, with WDD approval, from non-JTPA funds audit exception insurance covering a minimum of 25 percent of the service delivery area's annual Title III grant award.

**14.14(2) Description of programs and services.** Each plan shall contain a description of programs and services in detail sufficient to provide a comprehensive statement of Title III activities in the service delivery area. The description shall include:

a. *Service delivery system.* The plan shall provide a description of the delivery structure, the overall approach toward administering Title III services to be employed in the service delivery area. This must include details of whether all or part of the program will be subcontracted, and, if so, the subcontractor's roles and responsibilities within the program must be described.

b. *Activities and services description by program.* Each plan shall provide information in sufficient detail to determine compliance with applicable laws and regulations on each program and each special project operated under Title III in the service delivery area.

(1) The plan must list the activities and services which will be provided by the dislocated worker center. Special programs or projects which will be conducted in the SDA or the procedure for identifying and approving them must be described in the plan. The plan shall also describe what provisions will be made to react to plant closings or layoffs.

(2) The Act specifies that training may only be provided for occupations for which there is a demand in the area served or in another area to which participants are willing to relocate, or for occupations having high potential for sustained demand or growth. The plan must describe how the PIC will determine what job opportunities are in the area.

(3) No JTPA funds shall be used to fund any occupational skills training program unless the level of skills provided in the program are in accordance with guidelines established by the PIC. The plan must describe how the PIC will ensure that the level of skills provided in occupational skills training programs are appropriate.

(4) If a plan provides for needs-based payments, the plan must indicate the procedure by which eligibility and the amount payment will be equitably determined, documented and maintained in the participant file. The procedure shall take into account the individual participant's circumstances, which should include the participant's or the participant's family's cost of housing, food, health care, child care, transportation and clothing, as well as income available to meet subsistence needs, including supportive services paid under the job training partnership Act or other state or federal programs. Although the needs-based payment description does not need to include specific amounts or limitations on needs-based payments, the circumstances or system by which such amounts or limitation may be established or changed must be described and a system for reducing payments due to nonattendance must be detailed.

(5) If a plan provides for support and training services, the plan must describe a procedure for determining who will receive these services and how much they will receive. If needs-based payments are also available, the method for determination of support and training services must be coordinated with the needs-based payments formula.

c. *Participant service levels.*

(1) The plan must include an estimate of the total number of eligible individuals in the following four categories combined:

1. Those who have been terminated or laid off are eligible for or have exhausted their entitlement to unemployment compensation, and are unlikely to return to their previous industry or occupation;

2. Those who have received a notice of termination or layoff from employment will be entitled to unemployment compensation at the time of layoff or termination, and are unlikely to return to their previous industry or occupation; and

3. Those who have been terminated, or who have received a notice of termination of employment, as a result of any permanent closure of a plant or facility; and

4. Those who are long-term unemployed and have limited opportunities for employment or re-employment in the same or a similar occupation in the area in which they reside, including any older individuals who may have substantial barriers to employment by reason of age. The data necessary to complete this requirement will be released annually via JTP Issuance.

(2) For all programs, the Act requires that efforts be made to provide equitable service among substantial segments of the eligible population. A description of how this level of service is planned, monitored, and maintained must be included.

(3) The plan must describe specific efforts which will be made to serve dislocated farmers.

(4) If other groups with specific barriers to employment are to be targeted, a description of these efforts and goals must also be included in the plan.

(5) The following information concerning participant service levels must be included:

1. The number of participants.
2. The average cost per participant.
3. The average length of participant involvement.
4. The number of dislocated farmers.

*d. Administrative services.* Each JTP must include a statement assuring compliance with Title VII of the Civil Rights Act of 1964 as amended, the Age Discrimination in Employment Act of 1967 as amended, Executive Order 11246 as amended, Section 503 of the Rehabilitation Act of 1973 as amended, Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 504 of the Rehabilitation Act of 1973 as amended and Title VI of the Civil Rights Act.

*e. Coordination.*

(1) The plan must describe coordination efforts with other JTPA programs in the SDA in the areas of:

1. Applicant and participant referral;
2. Types of activities and services provided;
3. Job development and placement;
4. Any other matters of mutual concern or interest.

(2) No elements of the plan may conflict with the coordination criteria contained in the Governor's Coordination and Special Services Plan (GCSSP). The plan must identify methods (who and how) which will be used to ensure compliance with the coordination criteria contained in the GCSSP.

**14.14(3) Participant eligibility, selection and verification description.** Each Title III plan shall describe the method by which each program applicant's eligibility will be determined and each participant's eligibility reviewed and verified.

*a. Eligibility determination.*

(1) Each plan shall describe the procedures for determining eligibility, including outreach efforts, applicant flow, documentation requirements, the position of those responsible for eligibility determinations and the steps in the process.

(2) Normally, the dislocated worker center grantee is responsible for all Title III eligibility determinations within the SDA, but it may permit other organizations to make them if it provides for reasonable safeguards, including provisions for reimbursement of costs incurred because of erroneous determinations made with insufficient care, and these are described in the Title III plan.

*b. Selection.* Each plan must describe a process, for identifying and selecting as participants those eligible applicants who are most-in-need of and can benefit from employment and training opportunities. Factors used in determining "most-in-need" and "benefit" shall be real, justifiable circumstances, applied uniformly for all Title III enrollments within the service delivery area and identified in the plan description.

*c. Eligibility review.* Each plan shall describe a procedure for review of each eligibility determination by someone other than the individual(s) responsible for the initial eligibility determination. The description shall include the position of those responsible for the review and the time period in which it will be completed.

*d. Eligibility verification.* At least quarterly, a random sample of at least 10 percent of all participants newly enrolled during the quarter who are still active must receive a detailed verification of all

eligibility criteria. Each plan shall include a description which shall identify the position of those responsible for the review, the time period in which it will be completed (e.g., monthly, quarterly, initially), and the method of documenting compliance with this verification requirement.

**14.14(4) Performance goals.**

a. The performance measures for the Title III Dislocated Worker Center Program are: Entered employment and cost per entered employment.

b. A Title III Performance Standards Conversion chart has been developed to assist in establishing performance standards for Title III. Refer to the Performance Measurement subsection of the Iowa JTPA Handbook for this chart and additional information on Title III performance standards.

c. The plan may include any locally developed goals or performance standards established by the PIC and LEOs.

**14.14(5) Service provider selection.** Each plan must describe the process by which service providers will be selected. The process shall:

a. Take into account the factors listed in 29 U.S.C. 1517;

b. Describe the procedure for approving contracts over \$25,300 and property over \$500;

c. Describe procedures which follow OMB Circular A-102, Attachment O, when selecting service providers through the request for proposal, sole source or other methods allowable;

d. These procedures must comply with the state administrative entity's procurement procedure requirements;

e. Describe efforts that will be made to avoid conflict of interest or the appearance of conflict of interest in the awarding of service provider contracts.

**14.14(6) Budgets.**

a. Each plan shall include a budget for one year and reflect the limits on allowable costs as required by the Act and local policies.

b. Section 304 of the Act requires that an amount be expended from public or private nonfederal sources equal to the amount made available under this title. Each grantee is required to provide local match of 35 percent of the grant amount. This match must be in addition to the state's share of unemployment compensation which will be used at the state level for matching. The plan must describe how this matching requirement will be met.

**14.14(7) Coordination.** Each plan shall describe the methods adopted to coordinate applicant and participant referral, types of activities and services provided, job development and placement, and other matters of mutual concern or interest with other JTPA programs in the SDA.

**14.14(8) Financial management.** If the dislocated worker center grantee is an entity other than the Title II grant recipient, the plan must describe the system by which the grantee will receive and disburse funds. The financial management section of the plan shall also:

a. Describe accounting procedures, including a description of registers, ledgers, time and attendance reports, source documentation requirements, inventory controls and check controls, which shall contribute to the overall fiscal integrity of the dislocated worker program in the service delivery area through accurate, complete, and current accounting records.

b. Describe how and when audits, both financial and compliance, will be conducted and resolved in accordance with the financial management standards and procedures section of these rules.

c. Describe procedures for collection of overpayments, misspent funds and other debts which ensure prompt, appropriate, and aggressive actions will be taken to recover funds due.

**14.14(9) Optional elements.** The plan may also contain other elements to facilitate the LEO's and PIC's policy guidance and oversight function. The nature and extent to which these elements are included in the plan is left to the discretion of the LEOs and the PIC.

These rules are intended to implement Executive Order 47, Iowa Code chapter 7A, and 29 U.S.C. 1501 et seq.

**345—14.15(7A,7B, Executive Order 47) The older individuals training program plan (3% plan).** The older individual training program plan is the basic policy document for the 3 percent programs within the SDA. Major policy decisions are made in the course of its development and it later will be

used to measure the progress of the local programs. The goal of the 3 percent plan is to ensure the training and placement of older individuals in employment opportunities with private business concerns.

**14.15(1) *Distribution requirements.*** By March 3 of each program year, a notification that the older individual training program plan is being drafted must be published in a newspaper of general circulation within the SDA. The notice must solicit comments from appropriate local educational and other public agencies in the SDA, and labor organizations in the area representing employees having the skills for which training is proposed. The appropriate area agency on aging must be provided with a copy of the draft plan for review and comment at least two weeks prior to the plan being signed by the PIC and LEOs.

**14.15(2) *Required elements of the older individuals training program plan.***

*a. Grantee designation.* The plan must identify the grantee that will receive funds from the state to operate the program. The grantee must be same as the grant recipient for the Title IIA Adult and Youth Program.

*b. Description of programs and services.* The plan must include a complete and detailed description of the activities and services that will be provided through this program in the SDA. The following information must be included:

(1) Service delivery system. The plan must provide a description of how services will be delivered in the SDA. This must include details of whether all or part of the program will be subcontracted and, if so, the subcontractor's roles and responsibilities with the program must be described.

(2) Activities and services descriptions by program. The plan must list the activities and services which will be provided. Special programs or projects which will be conducted in the SDA or the procedure for identifying and approving them must be described in the plan.

When developing training programs for older individuals, they must be designed to assure the training and placement of older individuals in employment opportunities with private business concerns.

In addition, no JTPA funds shall be used to fund any occupational skills training program unless the level of skills provided in the program are in accordance with guidelines established by the PIC. The plan must describe how the PIC will ensure that the level of skills provided in occupational skills training programs are appropriate.

Consideration must also be given to training programs for older individuals which train for jobs in growth industries and jobs reflecting the use of new technological skills. The plan must describe what efforts will be made to provide training for older individuals in such jobs.

Provision of needs-based payments (NBP) and support services (SS) require locally developed procedures or formulas to determine the need for participation and for levels of payment. If NBP or SS will be provided in the SDA, detailed information about these procedures must be included in the plan.

For needs-based payments, the plan must describe a formula or procedure, based upon individual participant circumstances, by which eligibility for and the amount of needs-based payment will be equitably determined. The determination must be documented and maintained in each participant's file. Recognizing that an individual's needs may change over time, the policy may permit redeterminations of need that could result in adjustments to a participant's needs-based payment. In such cases, the redetermination must also be documented and maintained in the participant's file.

The needs-based payment formula or procedure should take into account such factors as the participant's or the participant's family's cost of housing, food, health care, child care, transportation, clothing, etc. during the training period. It should also take into account income available to meet subsistence needs, including any specific supportive service paid by other agencies, but must take into account Support Services paid by JTPA.

Although the needs-based payment description does not need to include specific amounts or limitations on needs-based payments, the circumstances or system by which such amounts or limitations may be established or changed must be described. Further, a system for reducing payments due to non-attendance must be detailed.

For support services, the plan must describe a procedure for determining who will receive these services and how much they will receive. This procedure must take into consideration any needs-based payment made to the participant.

(3) Participant service levels. For all programs, the Act requires that efforts be made to provide equitable service among substantial segments of the eligible population. A description of how this level of service is planned, monitored, and maintained must be included in the plan.

If certain groups with specific barriers to employment are to be targeted, a description of these efforts and goals must also be included in the plan.

The following information concerning participant service levels must be included:

1. The number of participants to be served;
2. The average cost per participant; and
3. The average length of participant involvement.

c. *Coordination.* The plan must describe coordination efforts with other JTPA programs in the SDA in the areas of:

- (1) Applicant and participant referral;
- (2) Types of activities and services provided;
- (3) Job development and placement; and
- (4) Any other matters of mutual concern or interest.

No elements of the plan may conflict with the coordination criteria contained in the Governor's Coordination and Special Services Plan (GCSSP). The plan must identify methods (who and how) which will be used to ensure compliance with the coordination criteria contained in the GCSSP.

The plan must include a description of the coordination arrangements agreed upon by the Area Agency on Aging and the Older Individual Training Program Grantee. If agreement on a coordination arrangement is not reached, the plan must state the reasons for the lack of agreement.

d. *Participation eligibility and selection.*

(1) Applicant identification and eligibility determination procedures. The plan must describe the steps in the application process including outreach efforts, intake, and eligibility determination.

Normally, the older individual training program grantee is responsible for all older individual training program eligibility determinations within the SDA, but it may permit other organizations to make them if it provides for reasonable safeguards, including provisions for reimbursement of costs incurred because of erroneous determinations made with insufficient care, and such an arrangement is included in the plan.

(2) Selection. Under JTPA employment and training opportunities are to be provided to those who can benefit from, and who are most-in-need of, such opportunities. Therefore, the factors to be used to determine "who is most-in-need" and "who can benefit" must be described in the plan.

(3) Eligibility verification procedures. Quarterly, a random sample of at least 10 percent of all participants newly enrolled during the quarter who are still active must receive a detailed verification of all eligibility criteria. The plan must include when this verification will be completed (i.e., monthly, quarterly, upfront, etc.).

e. *Performance goals.* The performance measures for the older individuals training program are: entered employment rate and cost per entered employment rate. The cost per entered employment must not exceed \$3,000. The plan may include any locally developed goals or performance standards established by the PIC and LEOs.

f. *Service provider selection.* Each plan must describe the process by which service providers will be selected. The process shall:

- (1) Take into account the factors listed in 29 U.S.C. 1517;
- (2) Describe procedures which follow OMB Circular A-102, Attachment O, when selecting service providers through the request for proposal, sole source or other methods allowable;
- (3) These procedures must comply with the state administrative entity's procurement procedure requirements; and
- (4) The plan must describe the efforts that will be made to ensure the avoidance of conflict of interest or the appearance of conflict of interest.

*g. Budgets.* The plan must include a budget for the program year. All budgets must reflect the limits on allowable costs as described in the cost limitations subsection of the Iowa JTPA Handbook.

*h. Optional elements.* The plan may also contain other elements to facilitate the LEO's and PIC's policy guidance and oversight function. The nature and extent to which these optional elements are included in the plan is left to the discretion of the LEOs and the PIC.

**14.15(3) Plan submittal, review and approval process.**

*a.* An original and four copies of the final plan must be submitted to the governor via the state administrative entity no later than April 12. The plan must be signed by the PIC chairperson and chief elected official. The submittal must include documentation that notification has been published as described in 14.15(1) and documentation that a copy of the plan was sent to the appropriate area agency on aging within the time frame allowed.

*b.* The state administrative entity will provide a copy of each plan to the department of elder affairs. The department of elder affairs will review the plans and provide written comments to the state administrative entity. This review does not include approval or disapproval authority. All written comments will be presented to the state job training coordinating council.

*c.* The plan will be approved or disapproved within 30 days of submittal.

*d.* If the plan is disapproved, it must be revised. The revision need only include the pages on which changes had to be made. The entire plan does not need to be resubmitted. The revision must be clearly marked and resubmitted within 20 days from the date of disapproval. Resubmitted plans must be signed by both the PIC chairperson and chief elected official. After resubmittal, the final determination approving or disapproving the plan will be made within 15 days.

**14.15(4) Modifications.**

*a.* Modifications to the plan may be submitted if such modifications are signed by the PIC chairperson and the chief elected official. Performance goals may not be modified.

*b.* Modifications must be submitted to the state administrative entity for approval at least 15 days prior to implementation.

**345—14.16(7A,7B, Executive Order 47) The state education coordination and grants program plan (8% plan).** The state education coordination and grants program plan is the basic policy document for the SDA's portion of the 8 percent programs. Major policy decisions are made in the course of its development and it later will be used to measure the progress of the local programs.

If a plan is not submitted or if no cooperative agreement is reached on the use of these funds, the governor may use the funds allocated to that SDA for development and implementation of the governor's coordination and special services plan.

The Act states that these funds "may be used to provide education and training, including vocational education services, and related services to participants under Title II." The plan, therefore, should emphasize educational activities and services.

**14.16(1) Distribution requirements.** By March 3 of each program year a notification that the plan is being drafted must be published in a newspaper of general circulation within the SDA. The notification must solicit comments from appropriate local educational and other public agencies in the SDA and labor organizations in the area representing employees having the skills for which training is proposed.

**14.16(2) Required elements of the plan.**

*a. Program operator.* The plan must identify the administrative entity for the SDA which will be entering into a contract with the department of education. The administrative entity must be the same as the one for the Title IIA adult and youth program.

*b. Description of programs and services.* The plan must include complete and detailed description of the activities and services that will be provided through this program in the SDA. The plan must include the following information:

(1) Service delivery system. The plan must provide a description of how services will be delivered in the SDA. This must include details of whether all or part of the program will be subcontracted, and, if so, the subcontractor's roles and responsibilities within the program must be described.

(2) Activities and services descriptions by program. The plan must list the activities and services which will be provided. Special programs or projects which will be conducted in the SDA or the procedure for identifying and approving such projects or programs must be described in the plan.

No JTPA funds shall be used to fund any occupational skills training program unless the level of skills provided in the program are in accordance with guidelines established by the PIC. The plan must describe how the PIC will ensure that the level of skills provided in occupational skills training programs are appropriate.

Provision of needs-based payments (NBP) and support services (SS) require locally developed procedures or formulas to determine the need for participation and for levels of payment. If NBP or SS will be provided in the SDA, detailed information about these procedures must be included in the plan.

For needs-based payments, the plan must describe a formula or procedure, based upon individual participant circumstances, by which eligibility for and the amount of needs-based payment will be equitably determined. The determination must be documented and maintained in each participant's file. Recognizing that an individual's needs may change over time, the policy may permit redeterminations of need that could result in adjustments to a participant's needs-based payment. In such cases, the redetermination must also be documented and maintained in the participant's file.

The needs-based payment formula or procedure should take into account such factors as the participant's or the participant's family's cost of housing, food, health care, child care, transportation, clothing, etc. during the training period. It should also take into account income available to meet subsistence needs, including any specific supportive service paid by other agencies, but must take into account support services paid by JTPA.

Although the needs-based payment description does not need to include specific amounts or limitations on needs-based payments, the circumstances or system by which such amounts or limitations may be established or changed must be described. Further, a system for reducing payments due to non-attendance must be detailed.

For support services, the plan must describe a procedure for determining who will receive these services and how much they will receive. This procedure must take into consideration any needs-based payment made to the participant.

(3) Participant service levels. For all programs, the Act requires that efforts be made to provide equitable service among substantial segments of the eligible population. A description of how this level of service is planned, monitored, and maintained must be included in the plan. If certain groups with specific barriers to employment are to be targeted, a description of these efforts and goals must also be included in the plan.

The following information concerning participant service levels must be included:

1. The number of participants to be served by quarter\*;
2. The estimated average length of participant involvement; and
3. The estimated average cost per participant.

\*This quarterly breakout will be used for monitoring and no modification will be required if deviations occur.

*c. Coordination.* Each plan must be developed and implemented in close coordination with the LEO/PIC plan of service for JTPA Title IIA Adult and Youth Program in the SDA. The plan must include a description of coordination efforts in the areas of:

- (1) Applicant and participant referral;
- (2) Types of activities and services provided;
- (3) Job development and placement; and
- (4) Any other matters of mutual concern or interest.

No elements of the plan may conflict with the coordination criteria contained in the Governor's Coordination and Special Services Plan (GCSSP). The plan must identify methods (who and how) which will be used to ensure compliance with the coordination criteria contained in the GCSSP.

The plan must describe any efforts currently planned to coordinate joint planning or exchange of information about JTPA state education coordination and grants (8%) program activities with the local

vocational area planning council(s). If no specific coordination efforts are anticipated, the plans must so indicate.

*d. Participation eligibility and selection.*

(1) Eligibility. Not less than 75 percent of the funds available to an SDA must be expended for economically disadvantaged individuals. Up to 25 percent of an SDA's budget for the program year may be expended for noneconomically disadvantaged individuals, if they have encountered barriers to employment and if the barriers or procedures to identify the barriers were described in the plan. The same employment barriers or procedure to identify barriers which justify enrollment described in the Title II plan for the 10 percent noneconomically disadvantaged guideline must be used.

(2) Applicant identification and eligibility determination procedures. The plan must describe the steps in the application process including outreach efforts, intake, and eligibility determination.

Normally, the administrative entity will be responsible for all eligibility determinations within the SDA, but it may permit other organizations to make such determinations if it provides for reasonable safeguards, including provisions for reimbursement of costs incurred because of erroneous determinations made with insufficient care, and such an arrangement is included in the approved plan.

(3) Selection. Under JTPA employment and training opportunities are to be provided to those who can benefit from, and who are most-in-need of, such opportunities. Therefore, the factors to be used to determine "who is most-in-need" and "who can benefit" must be described in the plan.

(4) Eligibility verification procedures. At a minimum, quarterly; a random sample of at least 10 percent of all participants newly enrolled during the quarter who are still active must receive a detailed verification of all eligibility criteria. The plan must include when this verification will be completed (i.e., monthly, quarterly, upfront, etc.).

*e. Performance standards.* The performance measures for the state education coordination and grants program are:

- (1) Entered employment rate (adult);
- (2) Average wage at placement (adult);
- (3) Welfare entered employment rate (adult);
- (4) Entered employment rate (youth); and
- (5) Positive termination rate (youth).

The standard methodology developed for the Title IIA Adult and Youth Program will be used to determine performance standards for the five measures listed above. The plan may also include any locally developed goals or performance standards established by the PIC and LEOs.

*f. Selecting service providers.* The plan must explain how service providers will be selected. The process shall:

- (1) Take into account the factors listed in 29 U.S.C. 1517;
- (2) Describe procedures which follow OMB Circular A-102, Attachment O, when selecting service providers through the request for proposal, sole source or other methods available thereunder;
- (3) Comply with the state administrative entity's procurement procedure requirements;
- (4) Ensure that proper consideration is given to community-based organizations as service providers, ensure that appropriate education agencies are given the opportunity to provide educational services, and ensure that small and minority business and women's business enterprises are afforded the opportunity to provide services; and
- (5) Describe the efforts that will be made to ensure the avoidance of conflict of interest or the appearance of conflict of interest.

*g. Budgets.* The plan must include a budget for one year. All budgets must reflect the limits on allowable costs as described in the "cost limitations" subsection of the Iowa JTPA Handbook. Section 123(b) of the Act requires an equal match of funds from non-JTPA sources. Administrative entities and other subrecipients of these funds must assist the department of public instruction in identifying this match. The plan must describe how this matching requirement will be met.

*h. Optional elements.* The plan may contain additional elements pertaining to local use of the 8 percent funds.

**14.16(3)** *Plan submittal, review and approval process.*

*a.* An original and four copies of the plan must be submitted to the governor via the director of WDD no later than April 12. The plan must be signed by the PIC chairperson and chief elected official. The submittal must include documentation that notification has been published.

*b.* The plans will be approved or disapproved within 30 days of submittal.

*c.* If the plan is disapproved, it must be revised. The revision need only include the pages on which changes had to be made. The entire plan does not need to be resubmitted. The revision must be clearly marked as such and resubmitted within 20 days from the date of disapproval. Resubmitted plans must be signed by the administrative entity, the PIC chairperson and the chief elected official. After resubmittal, the final determination approving or disapproving the plan will be made within 15 days. If, at this point, the plan is still unapproved, funds for the state education coordination and grants program for the SDA may revert to the state administrative entity for distribution.

*d.* Staff members of the department of education and the department of economic development will jointly review each plan and make recommendations for approval or disapproval. These agencies will also review jointly any plan revisions.

**14.16(4) Modifications.**

*a.* Modifications to plans may be submitted if such modifications are signed by the administrative entity, PIC chairperson, and chief elected official.

*b.* Modifications must be submitted to the state administrative entity for approval at least 15 days prior to implementation.

Rules 14.15 and 14.16 are intended to implement Executive Order 47, Iowa Code chapters 7A, 7B, and 29 U.S.C. 1501 et seq.

**345—14.17(7A,7B, Executive Order 47, 29 U.S.C. 1501 et seq.) Job service plan.** The Job Training Partnership Act includes amendments to the Wagner-Peyser Act which establishes the national public employment service system, job service.

One of these amendments requires job service to develop jointly with each appropriate PIC and chief elected official or officials the applicable components of the job service plan for that SDA. The LEO/PIC agreement establishes procedures for the cooperative development of that plan.

Each program year the job service state administrative office and the JTPA state administrative entity will issue a technical assistance guide (TAG) that explains completion of the local job service plan. For planning purposes the amount of the Wagner-Peyser allocation for each SDA will be provided to the job service PIC representative in each SDA within 30 days of notification to the governor. The state will also publish the substate resource distributions in a newspaper of general circulation.

**14.17(1) Cooperative efforts.** Each local job service plan must be developed taking into consideration proposals developed jointly by the PIC and LEOs of the SDA. The job service representative on the PIC serves as the job service agency coordinator in this effort.

**14.17(2) Plan submittal, review and approval process.**

*a.* The job service plan must be submitted by the date established in the job service TAG. An original and two copies must be sent to:

Department of Employment Services  
Division of Job Service  
1000 East Grand Avenue  
Des Moines, IA 50319

*b.* SJTCC review. After approval by the PIC and LEOs, each job service plan will be reviewed by the SJTCC to determine if:

(1) The components of the plan have been jointly agreed to by the job service, the PIC, and LEOs; and

(2) The plan is consistent with the governor's coordination and special services plan (GCSSP).

If the SJTCC determines that the above provisions have not been met, the plan will be returned to job service with the SJTCC's recommendations for it to consider jointly with the PIC and LEOs. Thirty days are permitted for modifying the plan and resubmitting it.

c. Failure to agree. If agreement cannot be reached between job service, the PIC and LEOs, the plan may be submitted to the SJTCC and Secretary of Labor and must be accompanied by the proposed modifications as may be recommended by the disagreeing parties. In such cases, the SJTCC must inform the Secretary of Labor of its recommendations for resolution of the disagreement.

d. Governor's review. The governor is permitted to review and transmit to the Secretary of Labor proposed modifications of any job service plans which are submitted.

**345—14.18(7A,7B, Executive Order 47, 29 U.S.C. 1514 et seq.) Revised plan development.**

**14.18(1)** Beginning with program year 1986 the state administrative entity will implement new plan development requirements. Existing rules 14.10(7A, 7B, 29 U.S.C. 1514) to 14.16(7A, 7B, Executive Order 47) govern program plan requirements until the end of Program Year 1985.

**14.18(2)** Plan development instructions. Plan development instructions will be issued to the SDAs prior to the effective date of the local training plan format. Thereafter, planning instructions will be distributed for each planning cycle. The instructions will include guidelines for and explanations of the planning information requested and required by these rules. Where necessary, reference will be made to any JTPA forms which must be completed and any data needed to complete those forms will be provided.

**345—14.19(7A,7B, Executive Order 47, 29 U.S.C. 1514 et seq.) Local training plan (LTP).** The LTP is the basic document for JTPA programs operated within each SDA. The LTP consists of a single document which consolidates planning for all JTPA titles and programs for which the PIC and LEOs have direct responsibility. The programs included in the LTP are:

1. Title IIA adult and youth program
2. Title IIB summer youth employment and training program
3. Older individuals training (3%) program
4. State education coordination and grants (8%) program
5. Title III dislocated worker center program
6. Displaced homemaker program

**345—14.20(7A,7B, Executive Order 47, 29 U.S.C. 1514 et seq.) Local training plan format.** The PIC and LEOs are responsible for the development and submittal of the LTP. Although many of the policies and procedures described in the LTP will be implemented by grantees or administrative entities, the plan is a PIC/LEO document.

The LTP is composed of three parts: a master plan, subplans for each specific title or program, and required attachments.

**14.20(1) Master plan.** The master plan represents an overall picture of the planning, organization, and coordination of JTPA programs in the SDA. It consists of the following elements:

- a. SDA goals and objectives
- b. Grantee and administrative entity designations
- c. Procedures for selection of service providers
- d. Procedures for determining demand occupations and skill training levels
- e. Procedures for program coordination
- f. Use of JTPA supplemental child care funds
- g. Procedures for issuing an annual report

**14.20(2) Title or program subplans.** The subplan sections provide a detailed description of each title or program. Up to four elements are included in each subplan:

- a. Participant eligibility, service levels and target groups
- b. Service delivery system and program description
- c. Participant and participant process
- d. Budget

**14.20(3) LTP attachments.** The attachments section of the LTP consists of a number of forms, documents, and policies which support procedures followed in the development of the plan, provide specific information on local support service and on-the-job training policies, and include detailed budget and service level information. Required attachments are:

- a. Documentation of the required distribution of the proposed plan;
- b. Documentation of publication of a notice of the availability for review of both the proposed and final LTP;
- c. Grantee designation forms for each grantee;
- d. Documentation and explanation of selection of grantee and administrative entity;
- e. Local policies for on-the-job training activities, if applicable;
- f. Local policies for the provision of needs-based payments to participants, if applicable;
- g. Local policies for the provision of support service payments to participants, if applicable;
- h. Identification of noneconomically disadvantaged target groups, if any, for service under the Title IIA program;
- i. Financial management procedures for each grantee;
- j. Program planning summaries for each title or program including budget, service level and performance measurement data; and
- k. The local JTPA complaint procedures.

**14.20(4) LTP submittal and modification process.**

- a. Publication and review requirements.

(1) No later than March 3, which is 120 days prior to its effective date of July 1, the proposed LTP or its summary must be printed and public notice that a copy of the printed proposed plan or its printed summary is available for review must be inserted in one newspaper in each county within the SDA. The newspaper must be the official newspaper as designated by the county board of supervisors.

(2) No later than March 3 the proposed LTP must be made available for review and comment to each house of the state legislature, to appropriate local educational and other public agencies in the SDA, and to labor organizations in the area which represent employees having the skills for which training is proposed. The state administrative entity will provide a list of the educational agencies and public agencies which are to receive copies of the proposed LTP. Documentation that all appropriate agencies and organizations have been sent the proposed plan must accompany the submittal or the final plan.

(3) Simultaneously, the proposed LTP must be made reasonably available to the general public through public hearings or through local news facilities. The published notice of the availability of the proposed LTP for review identified in 14.20(4)“a”(1) will meet the minimum notice requirement to the public. The PIC must ensure that any written comments received or minutes of any public hearing regarding the proposed plan be maintained.

(4) No later than April 12, which is 80 days prior to its effective date, the final LTP or its summary must be printed and a public notice must be inserted in each of the SDA's official county newspapers that a copy of the printed final plan or its summary is available for review. This public notice must be provided prior to the plan submittal and must indicate on what date the final plan will be submitted.

(5) Proof of publication of the notice of the availability for review of both the proposed and final LTP must accompany the submittal of the final LTP.

- b. Plan submittal, review and approval procedures.

(1) Submittal. The LTP must be jointly submitted by the PIC and the LEOs to the state administrative entity. The LTP must be approved before the SDA receives JTPA funds to implement the program. Once approved the LTP is incorporated into the grant agreement between the state administrative entity and the grantee. JTPA funds shall be expended in accordance with the LTP.

(2) An original and five copies of the final LTP must be received by the state administrative entity no later than April 12. The LTP is to be submitted in accordance with SAE instructions.

(3) The PIC chairperson and the chief elected official must certify by their signatures that their respective bodies concur with the LTP. Should the PIC and LEO consortium fail to reach an agreement

on the LTP by the time specified, the SDA will be redesignated by merging its counties into one or more SDAs.

*c. Plan approval or disapproval.*

(1) The LTP will be approved or disapproved by the state administrative entity within 30 days of April 12 unless petitions for disapproval have been filed as allowed by 14.20(4)“e.”

(2) If the LTP is disapproved, the PIC and the LEO consortium have 20 days from the date of disapproval to resubmit the plan with all deficiencies corrected as specified by the state administrative entity. The entire plan does not need to be resubmitted. The revision need only include the pages on which changes had to be made.

(3) Resubmitted plans must be signed by the PIC chairperson and the chief elected official.

(4) After submittal, the final determination approving or disapproving the resubmitted plan will be made within 15 days.

*d. Appeals.* The PIC and LEO consortium may jointly appeal to the Secretary of Labor within 30 days after receipt of the final disapproval of the LTP. A copy of the appeal must be sent to the state administrative entity. The Secretary has 45 days from receipt of the appeal to make a final decision.

*e. Petitions.*

(1) Interested persons may petition the state administrative entity within 15 days of the date of submission of the LTP for disapproval of the LTP or LTP modification if:

1. The party can demonstrate that it represents a substantial client interest. The phrase “represents a substantial client interest” may include organizations and agencies identified in JTPA section 105(a)(1) as well as interested parties in the general public;

2. The party provides evidence that appropriate steps were taken to present its views and seek resolution of disputed issues prior to submission of the plan; and

3. The request for disapproval is based on a documented violation of statutory requirements.

(2) Upon receipt of a petition for disapproval the state administrative entity has 45 days rather than 30 days to approve or disapprove a plan or modification. To aid in its final determination, the state administrative entity may, in its discretion, request additional information, mediate in the dispute or take other appropriate action.

*f. Effect of approval of LTP or modification.*

(1) An approved LTP, or modification, authorizes the grant recipient to enter into a grant agreement with the state administrative entity or to modify its present grant agreement. The grant agreement authorizes the expenditure of JTPA funds in accordance with the LTP.

(2) An approved LTP or modification creates a presumption of validity. In any subsequent administrative challenges to the approved LTP or modification, the challenging party bears the burden of overcoming this presumption.

(3) A notice of intent to revoke all or part of a plan may be issued where, as a result of financial and compliance audits or otherwise, a determination is made that there is a substantial violation of a specific provision of the JTPA or regulations and corrective action has not been taken.

*g. Modification process.*

(1) To make a change in the master plan or any of the subplans, a modification must be submitted because a change constitutes a modification of the program design. The entire plan does not need to be submitted with a modification. The modification need only include the pages on which changes were made.

(2) At least 80 days prior to its effective date, any modification of the master plan or the subplans must be printed and a public notice must be inserted in the official county newspaper that the plan modification is being submitted and is available for review. This notice must be provided prior to the modification submittal and must indicate on what date the modification will be submitted.

(3) All modifications must be reviewed and approved by the PIC and LEO consortium prior to submittal and must be signed by the PIC chairperson and chief elected official. The PIC chairperson and chief elected official must certify by their signatures that the bodies they represent concur with the LTP modification.

(4) Modifications must be received by the state administrative entity no later than 80 days prior to the effective date. The same review, approval, appeal and petition for disapproval procedures followed for the original LTP and described in these rules will be used for all LTP modifications.

*h. Amendment process.*

(1) An amendment is required to make changes of a technical nature to the attachments section of the LTP. The entire plan does not need to be submitted with an amendment. The amendment need only include the attachments on which changes were made.

(2) Amendments must be reviewed and signed by the PIC chairperson and chief LEO prior to submittal and must be received by the state administrative entity at least 15 days prior to implementation.

(3) The state administrative entity will review the amendment for consistency with the Act, regulations, state policies and rules. Acknowledgment of receipt and acceptance of the amendment or a request for revision will be sent within 15 days of receipt of the amendment. If an amendment is not accepted, it may be revised and resubmitted. If an amendment is not resubmitted the most current approved attachment remains in effect.

**345—14.21(7A,7B, Executive Order 47, 29 U.S.C. 1514 et seq.) The master plan.** The master plan will include a description of SDA goals and objectives, grantee and administrative entity designation and coordination, procedures for selection of service providers, demand occupations and skill training levels, a description of efforts to coordinate programs at the state and local level, a description of how the JTPA supplemental child care funds will be utilized, and procedures to develop the required annual report.

**14.21(1) *The SDA goals and objectives.*** A statement of the overall goals and objectives which the PIC and LEOs wish to achieve must be included in the master plan. Each goal must be relevant to the purposes of the JTPA program, be attainable and to the greatest extent possible, measurable.

For each goal, the master plan must describe why that goal is a priority in the SDA, what efforts will be made to achieve the goal, and how those efforts will be evaluated. At least one goal must be stated in the master plan.

**14.21(2) *Grantee and administrative entity designation and coordination.***

*a. Grantee designation.* For each title and program the master plan must identify the grantee which will receive the JTPA funds.

(1) A grantee must be designated for the Title IIA, Title IIB, 3% Older Individuals Program, and the displaced homemaker program. This grantee will receive funds for all four programs.

(2) A grantee for the Title III program must also be designated. This may be the same entity designated for the IIA, IIB, 3% and displaced homemaker program or it may be a different entity. In either case a request for proposal (RFP) procedure must be used to select the Title III grantee. The RFP must at a minimum be for the same period of performance covered by the LTP. The RFP procedure must comply with the specific procurement procedures and evaluation criteria described in 14.46. When a Title III RFP is issued, a copy of the RFP must be submitted to the state administrative entity.

*b. Administrative entity designation.* For each title and program the master plan must identify the administrative entity who is responsible for the management and execution of the local training plan in the service delivery area.

(1) An administrative entity must be designated for the Title IIA, Title IIB and state education coordination and grants (8%) program. This administrative entity will administer all three programs.

(2) Administrative entities must also be designated for the 3% older individuals program, the Title III program and the displaced homemaker program. The same entity may administer all three programs, or different entities may be designated.

(3) If there is more than one administrative entity for the various JTPA programs in the SDA, the master plan must describe how the PIC and LEO consortium will ensure coordination among these entities.

**14.21(3) *Selection of service providers.***

*a. Selection procedures.* The master plan must include assurances that service providers will be selected in accordance with Section 107 of the Act and applicable state procurement procedures. If the

PIC, LEOs, a grantee, or an administrative entity establishes procedures which are over and above the minimum procedures required by the state administrative entity, those procedures must be included in the master plan.

*b. Conflict of interests.* The master plan must describe the procedures that the PIC and LEOs have established to ensure the avoidance of conflict of interest or the appearance of conflict of interest at any level of JTPA administration.

**14.21(4) Demand occupations and skill training levels.**

*a. Demand occupations.* The master plan must describe how demand occupations will be identified by the PIC and LEOs. The JTPA allows training to be provided only for occupations for which there is a demand in the area served or in another area to which participants are willing to relocate, or for occupations having high potential for sustained demand or growth.

*b. Skill training levels.* JTPA funds may only be used to fund occupational skills training programs with skill levels which are in accordance with guidelines established by the PIC. The master plan must describe how the PIC will ensure that the level of skills provided in occupational skills training programs is sufficient to obtain employment in targeted occupations. The LEOs may be involved in this process, but the PIC must establish final guidelines.

**14.21(5) Coordination.** The master plan must describe coordination efforts with the GCSSP, with other SDAs and with local agencies within the SDA.

*a. Coordination with the GCSSP.* The LTP must comply with the coordination criteria contained in the governor's coordination and special services plan (GCSSP). The master plan must describe the efforts which will be made to enhance the attainment of these objectives.

*b. Coordination with other SDAs.* Methods of coordination with all neighboring SDAs, including non-Iowa SDAs, must be included in the master plan. These efforts must facilitate coordination between SDAs in providing for accessibility of all eligible applicants to employment and training opportunities, in handling applicant referrals, in assessing mutual employment and training needs, job development, and placement activities. The plan should describe any formal or informal agreements which are in place or anticipated.

*c. Coordination with local agencies.* The PIC and the LEOs must indicate in the master plan those items of mutual concern which must be coordinated by JTPA program operators and with those agencies identified by the state administrative entity in its plan development instructions distributed to each SDA.

**14.21(6) JTPA supplemental child care and displaced homemaker funds.** Additional and supplemental funding for child care services programs and displaced homemaker programs in connection and coordination with the JTPA. These funds will be provided to the designated grantee for the Title IIA program.

*a.* The master plan must include a declaration of intent to operate a displaced homemaker program.

*b.* The master plan must describe how the JTPA supplemental child care funds will be used in the SDA. These funds may be used for either child care under the Title IIA program or supplemental funds for the displaced homemaker program. If the local training plan does not designate any allowable use for the JTPA supplemental child care funds, those funds will revert to the state administrative entity for distribution to other SDAs. If the supplemental child care services funds are to be used for child care services, these services must be in addition to JTPA or other fund sources normally used for that purpose.

**14.21(7) Annual report.** An annual report must be submitted for each JTPA title and program included in the LTP. The minimum requirements for the annual report are included in the Iowa JTPA Handbook. The Master Plan must describe how these annual reports will be developed and which entities will be responsible for writing, reviewing and approving the reports.

**345—14.22(7A,7B, Executive Order 47, 29 U.S.C. 1514 et seq.) The subplans.**

**14.22(1) The Title IIA subplan.**

*a. Program eligibility, service levels and target groups.*

(1) Program eligibility. The Title IIA subplan should include a definition of the basic eligibility requirements for the Title IIA program. The Act provides that all participants in Title IIA must be economically disadvantaged. If non-SDA residents are to be served, the subplan must describe under what circumstances they will be served.

(2) Service levels. The Act requires that certain information concerning service levels be included in the LTP and that specific levels of service to school drop-outs and WIN registrants be met in Title IIA. Minimum expenditure levels for youth are required by the Act. The plan development instructions issued by the state administrative entity will identify the required service levels for each program year and indicate the appropriate form in the forms preparation section of the JTPA Handbook which must be completed.

The Act requires that efforts be made to provide equitable service among substantial segments (age, sex and ethnic group) of the eligible population. A description of how this level of service is determined must be included in the plan. This description must indicate the source of data used to establish service levels to substantial segments. If planned levels are more than a 15 percent variance below the levels which exist in the SDA-eligible population, an explanation of the reasons for this planned variance must be provided.

(3) Target groups. The subplan may target specific groups of the eligible population for training under Title IIA. Selection of the target groups should support the overall program goals for the SDA and be in response to specific needs of the area. The rationale for selecting these target groups must be provided in the plan, as well as the ultimate objective to be achieved through service to these groups.

*b. Service delivery system and program description.*

(1) Service delivery system. The subplan must provide a description of how Title IIA services will be delivered in the SDA. This description must include information on service delivery by the administrative entity and by any subcontractors. The emphasis in this part of the plan must be on how the Title IIA program will be managed and how services will be delivered. If significant portions of program delivery will be subcontracted to other program operators, those subcontractor roles and responsibilities must be described.

(2) Program description. There are three main programs which may be operated with Title IIA funds: comprehensive adult, comprehensive youth and exemplary youth programs. The Title IIA subplan must also describe any special programs or projects and use of the JTPA supplemental child care funds.

1. Adult program. The subplan must describe how JTPA activities and services will be used to train the eligible adult population. This description must present a comprehensive approach to participant training, including how the flow of activities from assessment through training to placement will be provided and which activities will be emphasized and how other activities and services will support participants. These planned activities and services must support the previously identified SDA goals and specified target groups.

2. Youth program. The subplan must describe how JTPA activities and services will be used to train the eligible youth population. This description must present a comprehensive approach to participant training, including how the flow of activities from assessment through training to placement will be provided and which activities will be emphasized and how other activities and services will support participants. These planned activities and services must support the previously identified goals and specified target groups.

3. Exemplary youth program. The subplan must describe any of the exemplary youth programs which will be conducted in the SDA. There are four potential subprograms under the exemplary youth program: education for employment program (EEP); preemployment skills training program (PESTP); entry employment experience program (EEEP); school-to-work transition assistance program (STWTAP). Detailed descriptions must be provided in the subplan for any of these subprograms which will be utilized.

The tryout employment activity is a project under the EEEP exemplary youth subprogram. If this activity is to be used in the SDA, a program description must be provided.

If 14- and 15-year olds will be served under the PESTP subprogram, the subplan must so indicate.

4. Special projects. The Title IIA subplan must also describe any special programs or projects which are anticipated in the SDA.

5. JTPA supplemental child care. If JTPA supplemental child care funds are to be used to supplement support services under Title IIA, the subplan must describe how these funds will be used.

*c. Applicant and participant process.* The subplan must describe the steps in the application and selection process including outreach, application, eligibility determination, participant selection and verification.

(1) Outreach. Efforts which will be made to obtain applications from all segments of the eligible population throughout the SDA must be described. These methods should promote equitable service on the basis of age, sex and ethnic group. The subplan must identify efforts to recruit applicants to meet the service level requirements for WIN registrants, dropouts, and youth. If specific groups from the eligible population have been identified as target groups, the subplan must describe outreach efforts to recruit applicants from those groups.

(2) Application. Application procedures must be described, including any requirements for documentation of information necessary for eligibility determination.

(3) Eligibility determinations. Although the administrative entity is ultimately responsible for all eligibility determination in the SDA, it may permit other organizations to make these determinations if it provides for reasonable safeguards, including provisions for reimbursement of costs incurred because of erroneous determinations made with insufficient care, and this arrangement is included in the approved LTP. If an organization other than the administrative entity is doing eligibility determination, the arrangement must be described in the subplan.

(4) Selection procedures. The Act specifies that each job training plan shall provide employment and training opportunities to those who can benefit from, and are most in need of, such opportunities. The subplan must describe factors which will be used to determine "who can benefit" and "most in need." How these criteria will be used to select participants must be described.

(5) Eligibility verification procedures. Quarterly, a random sample of at least 10 percent of all Title IIA participants newly enrolled during the quarter and who are still active must receive a verification of all eligibility criteria. The procedure for performing verification must be described in the subplan.

*d. Budget.*

(1) Any request for authorization to exceed the participant support cost limitation must be included in the plan. This request will be approved if the conditions outlined in JTPA section 108(c)(2) and the costs limitations section of the Iowa JTPA Handbook are met.

The PIC must initiate any action to exceed the limits on new budget dollars for Title IIA participant support costs. If the PIC chooses to request a waiver, the subplan must state why the limitation will be exceeded and the amount by which it is to be exceeded.

Approval to exceed the participant support cost category specified in the grant agreement costs limitations section will be given when the administrative entity has expended or obligated all funds budgeted for participant support within the normal limitations and the conditions described in the request can be verified.

(2) Planned expenditures for any program year must include 100 percent of carry-in funds and 90 percent of new budget dollars for that program year.

**14.22(2) The Title IIB subplan.**

*a. Program eligibility, service levels and target groups.*

(1) Program eligibility. The Title IIB subplan should include a definition of the basic eligibility requirements for the Title IIB program. If 14- and 15- year old individuals are to be served, the subplan must state that intent.

If non-SDA residents are to be served, the plan must describe under what circumstances they will be served.

(2) Service levels. The plan development instructions issued by the state administrative entity will include direction on necessary service level information for Title IIB and indicate what form(s) must be completed.

(3) Target groups. The subplan may also target specific groups of the eligible population for training under Title IIB. Selection of target groups should support the overall program goals for the SDA and be in response to specific needs of the area. The rationale for selecting each target group must be provided in the plan, as well as the ultimate objective to be achieved through service to these groups.

*b. Service delivery system and program description.*

(1) Service delivery system. The plan must include a description of how Title IIB services will be delivered in the SDA. The description must include information on service delivery by the administrative entity and by any subcontractors. The emphasis in this part must be on how the Title IIB program will be managed and services delivered. If significant portions of program delivery will be subcontracted to other program operators for delivery, those subcontractor roles and responsibilities must be described.

(2) Program description. The Title IIB subplan must describe how JTPA activities and services will be used to train summer youth participants. This description must present a comprehensive approach to participant training, including how the flow of activities from assessment through training to placement will be provided. Which activities will be emphasized and how other activities and services will support participants must be described. These planned activities and services must support the previously identified SDA goals and specified target groups.

All SYETP participants must receive preemployment training (PET) to provide them with an understanding of career and educational opportunities. The activities and services description must therefore include the planned efforts to provide PET to SYETP participants.

The subplan must also provide information on the estimated date that the summer program will begin, an estimate of how many weeks of activity are planned, and an estimate of how many hours per week summer participants will train.

(3) Special projects. The Title IIB subplan must also describe any special programs or projects which are anticipated in the SDA.

*c. Applicant and participant process.* The subplan must describe the steps in the application and selection process including outreach, application, eligibility determination, participant selection and verification.

(1) Outreach. Efforts which will be made to obtain applications from all segments of the eligible population throughout the SDA must be described. These methods should promote equitable service on the basis of age, sex and ethnic group. If specific groups from the eligible population have been identified as target groups, the subplan must describe outreach efforts to recruit applicants from those groups.

(2) Application. Application procedures must also be described, including any requirements for documentation of information necessary for eligibility determination. The subplan must indicate whether a "participant pool" will be used for the SYETP program.

(3) Eligibility determination. Although the administrative entity is ultimately responsible for all eligibility determination in the SDA, it may permit other organizations to make these determinations if it provides for "reasonable safeguards, including provisions for reimbursement of costs incurred because of erroneous determinations made with insufficient care," and an arrangement is included in the approved LTP. If an organization other than the administrative entity will be doing eligibility determination, the arrangement must be described in the subplan.

(4) Selection procedures. The Act specifies that each job training plan shall provide employment and training opportunities to those who can benefit from, and who are most in need of, such opportunities. The Title IIB subplan must describe factors which will be used to determine "who can benefit" and who is "most in need." How these criteria will be used to select participants must be described.

(5) Eligibility verification procedures. At least 10 percent of all Title IIB participants who are active as of June 30 of each program year must receive a complete verification of eligibility. The procedure for performing verification must be described in the plan.

*d. Budget.* Planned expenditures for any program year must include 100 percent of carry-in funds and 90 percent of new budget dollars for that program year.

**14.22(3)** *The older individuals training program (3%) subplan.*

*a. Program eligibility and service levels.*

(1) Eligibility. The subplan should include a definition of the basic eligibility requirements for the JTPA older individuals training program.

(2) Service levels. The plan development instructions issued by the state administrative entity will include direction on necessary service level information for the older individuals training program and indicate what form(s) must be completed.

*b. Service delivery system and program description.*

(1) Service delivery system. The subplan must include a description of how the 3% program will be managed and how services will be delivered. The description must include information on service delivery by the administrative entity and any subcontractors. If significant portions of program delivery will be subcontracted to other program operators for delivery, those subcontractor roles and responsibilities must be described.

(2) Program description. The 3% subplan must describe how JTPA activities and services will be used to train participants in the older individuals training program. This description must present a comprehensive approach to participant training, including how the flow of activities from assessment through training to placement will be provided and which activities will be emphasized and how other activities and services will support participants. These planned activities and services must support the previously identified SDA goals and specified target groups.

Training programs for older individuals must be designed to assure the training and placement of participants in employment opportunities with private business concerns. Consideration must also be given to training programs which train for jobs in growth industries and for jobs reflecting the use of new technological skills. The 3% subplan must describe the efforts which will be made to provide training for older individuals with private business concerns, in jobs in growth industries, and in jobs reflecting the use of technological skills. Any special programs or projects which are anticipated must be described in the subplan.

*c. Applicant and participant process.* The 3% subplan must describe the steps in the application and selection process including outreach, application, eligibility determination, participant selection and verification.

(1) Outreach. Efforts which will be made to obtain applications from all segments of the eligible population throughout the SDA must be described. These methods should promote equitable service on the basis of sex and ethnic group.

(2) Application. Application procedures must also be described, including any requirements for documentation of information necessary for eligibility determination.

(3) Eligibility determination. Although the administrative entity is ultimately responsible for all eligibility determination in the SDA, it may permit other organizations to make these determinations if it provides for "reasonable safeguards, including provisions for reimbursement of costs incurred because of erroneous determinations made with insufficient care," and an arrangement is included in the approved LTP. If an organization other than the administrative entity will be doing eligibility determination, the arrangement must be described in the subplan.

(4) Selection procedures. The Act specifies that each job training plan shall provide employment and training opportunities to those who can benefit from, and who are most in need of, such opportunities. The 3% subplan must describe factors which will be used to determine "who can benefit" and who is "most in need." How these criteria will be used to select participants must be described.

(5) Eligibility verification procedures. Quarterly, a random sample of at least 10 percent of all 3% participants newly enrolled during the quarter who are still active must receive a verification of an eligibility criteria. The procedure for performing verification must be described in the plan.

*d. Budget.* Planned expenditures for any program year must include 100 percent of carry-in funds and 90 percent of new budget dollars for that program year.

**14.22(4)** *The state education coordination and grants (8%) program subplan.*

*a. Program eligibility, service levels and target groups.*

(1) Eligibility. The subplan should include a definition of the basic eligibility requirements for the 8% program. One hundred percent of the 8% funds received by the SDA must be spent on economical-

ly disadvantaged individuals unless the state administrative entity specifically provides otherwise. If non-SDA residents are to be served, the subplan must describe under what circumstances they will be served.

(2) Service levels. The plan development instructions issued by the state administrative entity will include direction on necessary service level information for the state education coordination and grants program and indicate what form(s) must be completed.

(3) Target groups. The subplan must indicate whether youth, adults or a combined youth and adult population will be served. The subplan may also target specific groups of the eligible population for training under the 8% program. Selection of the target groups should support the overall program goals for the SDA or may be in response to specific needs of the area.

*b. Service delivery system and program description.*

(1) Service delivery system. The subplan must include a description of how the 8% program will be managed and how services will be delivered. This description must include information on service delivery by the administrative entity and by any subcontractors. If significant portions of program delivery will be subcontracted to other program operators for delivery, those subcontractor roles and responsibilities must also be described.

(2) Program descriptions. The 8% subplan must describe how JTPA activities and services will be used to train participants in the state education coordination and grants programs. This description must present a comprehensive approach to participant training, including how the flow of activities from assessment through training to placement will be provided and which activities will be emphasized and how other activities and services will support participants. These planned activities and services must support the previously identified SDA goals and specified target groups. The subplan must also describe any special programs or projects which are anticipated in the SDA.

*c. Applicant and participant process.* The 8% subplan must describe the steps in the application and selection process including outreach, application, eligibility determination, participant selection and verification.

(1) Outreach. Efforts which will be made to obtain applications from all segments of the eligible population throughout the SDA must be described. These methods should promote equitable service on the basis of age, sex and ethnic group. If specific groups from the eligible population have been identified as target groups, the subplan must describe outreach efforts to recruit applicants from those groups.

(2) Application. Application procedures must also be described, including any requirements for documentation of information necessary for eligibility determination.

(3) Eligibility determination. Although the administrative entity is ultimately responsible for all eligibility determination in the SDA, it may permit other organizations to make these determinations if it provides for "reasonable safeguards, including provisions for reimbursement of costs incurred because of erroneous determinations made with insufficient care," and an arrangement is included in the approved LTP. If an organization other than the administrative entity will be doing eligibility determination, the arrangement must be described in the subplan.

(4) Selection procedures. The Act specifies that each job training plan shall provide employment and training opportunities to those who can benefit from, and who are most in need of, such opportunities. The 8% subplan must describe factors which will be used to determine "who can benefit" and who is "most in need." How these criteria will be used to select participants must be described.

(5) Eligibility verification procedures. Quarterly, a random sample of at least 10 percent of all 8% participants newly enrolled during the quarter who are still active must receive a verification of an eligibility criteria. The procedure for performing verification must be described in the plan.

*d. Budget.* Planned expenditures for any program year must include 100 percent of carry-in funds and 90 percent of new budget dollars for that program year.

**14.22(5) The Title III subplan.**

*a. Program eligibility, service levels and target groups.*

(1) Program eligibility. The Title III subplan should include a definition of the basic eligibility requirements for the dislocated worker program.

(2) Service levels. The plan development instructions issued by the state administrative entity will include direction on necessary service level information for Title III and indicate what form(s) must be completed.

(3) Target groups. The subplan may target specific groups of the eligible population for training under Title III. Selection of target groups should support the overall program goals for the SDA and be in response to specific needs of the area. The rationale for selecting these target groups must be provided in the plan, as well as the ultimate objective to be achieved through service to these groups.

*b. Service delivery system and program description.*

(1) Service delivery system. The subplan must provide a description of how the Title III program will be managed and how services will be delivered. This description must include information on service delivery by the administrative entity and by any subcontractors. If significant portions of program delivery will be subcontracted to other program operators for delivery, those subcontractor roles and responsibilities must also be described.

(2) Program description. The Title III subplan must describe how JTPA activities and services will be used to train participants in the dislocated worker program. This description must present a comprehensive approach to participant training, including how the flow of activities from assessment through training to placement will be provided. Which activities will be emphasized and how other activities and services will support participants must be described. These planned activities and services must support the previously identified SDA goals and specified target groups. A description of efforts which will be conducted in the SDA to provide activities and services for dislocated farmers must be included. The subplan must also describe provisions which are made to react to plant closings or layoffs. The subplan must also describe any special programs or projects which are anticipated in the SDA.

*c. Applicant and participant process.* The subplan must describe the steps in the application and selection process including outreach, application, eligibility determination, participant selection and verification.

(1) Outreach. Efforts which will be made to obtain applications from all segments of the eligible population throughout the SDA must be described. These methods should promote equitable service on the basis of age, sex and ethnic group. Special efforts to recruit dislocated farmers must be described. If specific groups from the eligible population have been identified as target groups, the subplan must describe outreach efforts to recruit applicants from those groups. The subplan must describe what efforts will be taken to ensure that information is provided to individuals identified as eligible for Title III services concerning what, if any, job opportunities exist within the local labor market area or outside the labor market area for which such individuals could be retrained.

(2) Application. Application procedures must also be described, including any requirements for documentation of information necessary for eligibility determination.

(3) Eligibility determination. Although the administrative entity is ultimately responsible for all eligibility determination in the SDA, it may permit other organizations to make such determinations if it provides for "reasonable safeguards, including provisions for reimbursement of costs incurred because of erroneous determinations made with insufficient care," and such an arrangement is included in the approved LTP. If an organization other than the administrative entity will be doing eligibility determination, the arrangement must be described in the subplan.

(4) Selection procedures. The Act states that each job training plan shall provide employment and training opportunities to those who can benefit from, and who are most in need of, such opportunities. The subplan must describe factors which will be used to determine "who can benefit" and who is "most in need." How these criteria will be used to select participants must be described.

(5) Eligibility verification procedures. Quarterly, a random sample of at least 10 percent of all Title III participants newly enrolled during the quarter who are still active must receive a verification of an eligibility criteria. The procedure for performing verification must be described in the plan.

*d. Budget.*

(1) Planned expenditures for any program year must include 100 percent of carry-in funds and 90 percent of new budget dollars for that program year.

(2) The Act requires that an amount be expended from public or private nonfederal sources equal to the amount made available under Title III. Each SDA is required to provide local match equaling 35 percent of the grant amount. This match must be in addition to the state's share of unemployment compensation which will be used at the state level for matching.

**14.22(6) *The displaced homemaker program.*** Funds are available for a displaced homemaker program in connection and coordination with the JTPA. The goals of the program include: providing assessment, employability plan development, remedial and preparatory services to displaced homemakers to enable them to enter training in the service delivery areas JTPA-funded programs; and providing supplemental support services to displaced homemakers who are concurrently enrolled in the service delivery areas JTPA programs.

*a. Program eligibility and service levels.*

(1) Program eligibility. In order to identify the eligible population to be served, the state administrative entity definition of displaced homemaker contained in these rules must be used.

(2) Service levels. The plan development instructions issued by the state administrative entity will include direction on necessary service level information for the displaced homemaker program and indicate what form(s) must be completed.

*b. Service delivery system and program description.*

(1) Service delivery system. The subplan must provide a description of how the displaced homemaker program will be managed and how services will be delivered. The description must include information on service delivery by the administrative entity and any subcontractors. The subplan must describe how the program will be managed and services delivered. If significant portions of program delivery will be subcontracted, the roles and responsibilities of those subcontractors must be described.

(2) Program description. The subplan must describe what activities and services will be used to train participants in the displaced homemaker program. This description must present a comprehensive approach to participant training, including how the flow of activities from assessment through training to placement will be provided. The description must include which activities will be emphasized and how other activities and services will support participants. The planned activities and services must support the previously identified SDA goals and specified target groups. Employment generating activities are not allowable in the displaced homemaker program.

The subplan must also describe how the displaced homemaker program will be coordinated with JTPA programs and other displaced homemaker programs in the SDA. Specific information must be provided on the circumstances under which concurrent or sequential enrollments with JTPA and other displaced homemaker programs will be permitted. The subplan must include a description of referral arrangements between the JTPA DH program and other JTPA programs and other DH programs in the SDA.

*c. Applicant and participant process.* The subplan must describe the steps in the application and selection process including outreach, application, and eligibility determination.

(1) Outreach. Efforts which will be made to obtain applications from the eligible population throughout the SDA must be described.

(2) Application. Application procedures must also be described, including any requirements for documentation of information necessary for eligibility determination.

(3) Although the SDA administrative entity is ultimately responsible for all eligibility determination in the SDA, it may permit other organizations to make these determinations if it provides for reasonable safeguards, including provisions for reimbursement of costs incurred because of erroneous determinations made with insufficient care, and the arrangement is included in an approved local training plan. If an organization other than the administrative entity will be doing eligibility determination, the arrangement must be described in the subplan.

*d. Budget.* Planned expenditures for any program year must include 100 percent of carry-in funds and 90 percent of new budget dollars for that program year.

*e. Distribution of funds.*

(1) Formula. The funds will be allocated to the service delivery areas by formula. The formula will either be the formula used for the JTPA Title IIA program or, depending upon the availability of appropriate data, a formula which is similar but includes factors specific to the targeted population. If an SDA opts not to operate a displaced homemaker program, its share of funds will be divided among the remaining areas in which displaced homemaker programs are being operated.

(2) Midyear reallocation. Reserved.

(3) Carryover funds. No SDA shall retain as carryover funds at the end of each program year more than 15 percent of the amount of funds allocated to it. Any unexpended funds in excess of 15 percent will be recovered by WDD and distributed among the SDAs by formula.

*f. Allowable costs.*

(1) Displaced homemaker funds may only be used to provide training and support services, including child care and transportation, to displaced homemakers.

(2) All activities allowable under JTPA are allowable for the displaced homemaker program with the exception of employment generating activities.

(3) No more than 15 percent of the displaced homemaker funds allocated to the SDA may be used for administrative costs. There are no limitations on the percent of funds that can be expended for training or participant support.

*g. Reporting requirements.* The required reports and the frequency of reporting shall be the same as those for the older individual training program as defined in rule 14.49 (7A, 7B, 29 U.S.C. et seq).

**14.22(7) Attachments.**

*a. Documentation of the required distribution of the proposed LTP.* Documentation that the proposed LTP was provided to all appropriate groups in a timely fashion must be submitted with the final LTP.

*b. Documentation of publication requirements.* Documentation that both the proposed LTP and the final LTP were made available for public review through public notices in the official county newspaper of each county in the SDA must be submitted with the final LTP.

*c. Grantee designation forms.* A completed grantee designation form including supporting documentation must be submitted with the final LTP for each grantee which is designated to receive funds.

*d. Documentation/explanation of grantee and administrative entity selection.* An explanation of the selection of the grantee and each administrative entity chosen by the PIC and LEOs must be submitted with the final LTP.

*e. Local policies for on-the-job training activities.* If on-the-job training activities are to be used in any of the titles or programs included in the LTP, a description of local policies governing that activity must be provided. Included in the description must be a standardized system for determining the length of OJT agreements and procedures by which agreements may be reduced or extended.

If OJT policies vary at all from one title or program to another, differences must be clearly identified. It is also possible to present complete OJT policy descriptions for two or more distinct titles or programs.

*f. Local policies for needs-based payments.* If needs-based payments are to be made to participants in any of the titles or programs included in the LTP, a description of the local policies governing that service must be provided. If needs-based payments will not be made, the attachment should so state.

The plan must describe a formula or procedure, based upon individual participant circumstances, by which eligibility for and the amount of needs-based payments will be equitably determined. Recognizing that an individual's needs may change over time, the SDA's policy may permit redeterminations of need that could result in adjustments to a participant's needs-based payment.

The needs-based payment formula or procedure should take into account such factors as the participant's or the participant's family's cost of housing, food, health care, child care, clothing, and transportation during the training period. It should also take into account income available to meet subsistence needs, including any specific supportive services paid by other agencies, but must take into account support services paid by JTPA.

Although the needs-based payment description does not need to include specific amounts or limitations on needs-based payments, the circumstances or system by which amounts or limitations are established or changed must be described. Further, a system for reducing payments due to nonattendance must be included.

If the needs-based payment policies vary from one title or program to another, differences must be clearly identified.

*g. Local policies for support service payments.* If support service payments are to be made to participants in any of the titles or programs included in the LTP, a description of the local policies governing that service must be provided.

The plan must describe a formula or procedure, based upon individual participant circumstances, by which eligibility for and the amount of the support service payment will be equitably determined. Recognizing that an individual's needs may change over time, the SDA's policy may permit redeterminations of need that could result in adjustments to a participant's support service payment.

The support service payment formula or procedure should take into account such factors as the participant's or the participant's family's cost of housing, food, health care, child care, clothing, and transportation during the training period. It should also take into account income available to meet subsistence needs, including any specific support services paid by other agencies, but must take into account needs-based payments paid by JTPA.

Although the support service description does not need to include specific amounts or limitations on payments, the circumstances or system by which amounts or limitations are established or changed must be described.

If the support service payment policies vary from one title or program to another, differences must be clearly identified.

*h. Identification of noneconomically disadvantaged target groups to be served under the Title IIA program.* If noneconomically disadvantaged participants are to be served under the Title IIA program (up to 10 percent of the total enrollment), the plan must identify, define, and provide rationale for serving such groups.

For any group listed under the 10 percent-guideline, a definition must be provided. If that group is already identified and defined in the definitions section of the Iowa JTPA Handbook, a definition in this attachment is unnecessary. However, if the target group(s) to be served varies at all from the handbook definition or is not included, a separate identification name and definition must be provided.

Each target group identified in this attachment must include the rationale as to why that particular group has been determined to have a "barrier to employment."

*i. Financial management procedures.* A description of financial management procedures for each grantee must be submitted with the final LTP. This description may be in narrative format or may be a procedural outline of the financial systems. The description must provide a complete picture of each grantee's system for receipt and disbursement of program funds. The following issues must be addressed in each description:

(1) Fiscal control. Describe the flow of funds from the state administrative entity through the grantee to the SDA administrative entity to service providers and participants, including personnel positions responsible for receipt of funds, authorization of payments, claim review, recording of transactions, and signing of checks.

(2) Accounting. Describe the grantee's accounting procedures including descriptions of registers and ledgers, time and attendance reports, source documentation requirements, inventory controls, and check controls.

(3) Audits. Describe how and when audits of funds will be conducted, including both financial and compliance audits. Also describe audit resolution procedures.

(4) Debt collection. Describe procedures for collection of misspent funds. The procedures must ensure that prompt, appropriate, and aggressive actions will be taken to recover funds.

*j. Program planning summaries.* A completed program planning summary for each subplan must be submitted with the final LTP.

*k. Local complaint procedures.* The grantee's complaint procedures must be submitted with the final LTP. If the complaint procedures vary from one grantee to another, differences must be clearly identified.

**345—14.23(7A,7B, Executive Order 47, 29 U.S.C. 1501 et seq.) State administration.**

**14.23(1) Grant agreements.** Upon submission and state administrative entity approval of a plan, the state administrative entity will issue a grant agreement. The grant agreement shall be between the state administrative entity and the designated grant recipient. The subcontracting or designation of other entities to perform JTPA activities and services shall not relieve the grant recipient of its responsibilities in ensuring the administration of the program in accordance with all applicable federal and state requirements, including these rules. These rules and applicable federal and state laws and regulations and the provisions of the Iowa JTPA Handbook and handbook updates are incorporated by reference in each grant agreement. The state administrative entity shall hold grantees, including SDA grant recipients, responsible for JTPA funds received through the grant. The grantees shall hold subgrantees and subrecipients responsible for JTPA funds received through the grant.

**14.23(2) Iowa JTPA Handbook and JTP issuances.**

*a. Iowa JTPA Handbook.*

(1) The state administrative entity will provide each grantee and other appropriate JTPA officials with an Iowa JTPA Handbook which is designed as a technical assistance guide for the operation of JTPA programs within the state.

(2) The JTPA Handbook is also available for inspection by the public during regular business hours. Persons interested in obtaining a copy of the JTPA Handbook should direct inquiries to: Workforce Development Department, 100 Des Moines Street, Des Moines, Iowa 50319.

*b. Iowa JTPA Handbook update series.* The JTPA Handbook update series will be issued only to holders of the handbooks identified in 14.23(2) "a"(1). It will be the responsibility of the person or agency to whom the handbook is issued to keep it current as the updates are transmitted. The JTPA Handbook updates are available to the public for inspection during regular business hours.

*c. Job training program (JTP) issuances.* The state administrative entity will send to JTPA program administrators, operators and other JTPA personnel periodic JTP issuances. The purpose of these JTP issuances is to distribute information on various topics including, but not limited to, SJTCC minutes; notices of meetings, seminars and conferences; M.I.S. updates; DOL monitoring guides and schedules; proposed and final administrative rules; clarification of federal and state rules; data needed to complete required forms; and any other information relevant to the operation and administration of JTPA programs.

**14.23(3) Financial management standards.**

*a.* Allowable costs shall be determined in accordance with the principles stated in applicable state and federal laws and regulations, and these rules.

*b.* All JTPA grants are subject to audit in accordance with the requirements outlined at 19.41 and the Iowa JTPA Handbook.

**345—14.24 to 14.40 Reserved.**

DIVISION II  
SDA/GRANTEE RESPONSIBILITIES

**345—14.41(7A,7B, 29 U.S.C. 1574) Auditing requirements.**

**14.41(1) Audit subrecipient contract list.** Each grantee must submit to the state administrative entity by the date specified by the SAE a list of all subrecipient contracts including the name of the subrecipient, the dollar amount of the contract, the contract number, and a description of the contract.

**14.41(2) Annual audit.** Each grantee must have performed annually an independent financial and compliance audit of funds received by the grantee and its subrecipients. The annual audit of each grantee must be completed and received by the state administrative entity by the date required by the

state administrative entity. All costs incurred with the audit are the responsibility of the grantee. The grantee must ensure that the following are audited:

- a. The grantee;
- b. For Title II grants, the administrative entity, if different from the grantee;
- c. All subrecipient contracts of \$25,000 or more;
- d. Five percent of all remaining subrecipient financial contracts;
- e. Five percent of all remaining participant files for eligibility and financial transactions.

**14.41(3) Audit procedures.**

a. Grantees must provide the information contained in the “Auditing” subsection of the Iowa JTPA Handbook to the auditor selected to do the JTPA audit.

b. The auditor must determine whether the financial statements of the audited entity accurately represent the financial position and the results of financial operations in accordance with generally accepted accounting principles applicable to governmental agencies.

c. Each audit must determine whether the audited entity has complied with the JTPA, applicable DOL regulations and state administrative rules.

d. All audits must be conducted in accordance with applicable auditing standards set forth in the financial and compliance element of the Standards for Audit of Governmental Organizations, Programs, Activities and Functions.

e. At a minimum, each audit must include a test for compliance with applicable federal and state laws and regulations in the following areas:

- (1) Allowability of costs;
- (2) Classification of costs;
- (3) Cost limitations by category;
- (4) Expenditure requirements for the state education and coordination and grants programs and the Title IIA adult and youth program funds;
- (5) Participant record keeping and documentation;
- (6) Grantee monitoring procedures;
- (7) Reporting requirements;
- (8) Program income;
- (9) Matching requirements for Title III and state education coordination and grants programs.

**14.41(4) Audit report.** Each grantee must furnish the state administrative entity with an audit report which includes the audit findings and the resolution of findings with each entity audited. The report must include:

- a. The scope of the audit;
- b. A list of all contracts audited;
- c. Assurance that the auditor checked all the information listed in 14.41(3)“e”;
- d. A financial statement that identifies, at a minimum, costs by:
  - (1) Title and program (i.e., IIA adult and youth, III, 3%, 8%, IIB and IVC);
  - (2) Major cost category (i.e., administration, participant support, and training);
  - (3) Program year of allocation (e.g., carryover funds which must be tracked separately); and
  - (4) For Title IIA adult and youth programs only, service category (i.e., Adult and Youth);
- e. An opinion of the financial statements and their conformity to generally accepted accounting procedures;
- f. A statement on internal control describing any material weaknesses discovered in the audit;
- g. A statement as to whether the audited entity has complied with applicable laws and regulations as set forth in the Act and its implementing regulations, the Iowa Code, the grant agreements, and the administrative rules; and
- h. A description of all disallowed and questioned costs.

**345—14.42(7A,7B, 29 U.S.C. 1501 et seq.) Cost categories.**

1. To comply with the limitations established by the JTPA and federal regulations, allowable costs shall be charged against the following cost categories:

Administration;  
Participant support;  
Training;

Costs are allowable to a particular cost category to the extent that benefits are received by the cost category.

2. Any single cost which is properly chargeable to more than one cost category must be allocated among the appropriate cost categories. For example, the cost of individuals who both instruct participants and supervise coworkers would be prorated between the training and administration cost categories based on time and attendance records.

3. Costs which are billed as a single unit charge under a performance-based agreement do not have to be allocated or prorated among the several cost categories, but may be charged entirely to training when the performance-based agreement satisfies the following three requirements:

Is for training;

Is based on a fixed unit price payment; and

Stipulates that full payment for the full unit price will be made only upon completion of training by the participant and placement of the participant in unsubsidized employment in the occupation trained for and at not less than the wage specified in the agreement; or in the case of youth, payment for the training package purchased competitively pursuant to Section 141(d)(3) of the Act shall include payment for the full unit price if the training results in either placement in unsubsidized employment or the attainment of an outcome specified in Section 106(b)(2) of the Act.

4. Since costs of needs-based payments and support services may not be charged to training under any circumstances, it is not appropriate to include NBP and SS in a single unit charge.

5. It is not appropriate to include work experience (WE) in a single unit charge since WE must be charged as participant support or split between participant support and training as described in subrule 14.42(2) "d."

**14.42(1) Administration costs.**

a. Administration costs consist of all costs associated with the management of the programs which are incurred by grantees, administrative entities, service providers, PICs, and LEOs.

b. The salaries, fringe benefits and travel costs of the positions listed below and similar positions must be charged to the administration cost category:

- |                           |  |
|---------------------------|--|
| (1) Project director;     | (11) Personnel director;                 |
| (2) Program analyst;      | (12) Attorney;                           |
| (3) Labor market analyst; | (13) Auditor;                            |
| (4) Supervisor;           | (14) Purchasing agent;                   |
| (5) Executive director;   | (15) Data entry and processing personnel |
| (6) Fiscal officer;       | (16) Maintenance workers;                |
| (7) Clerk;                | (17) Management personnel;               |
| (8) Secretary;            | (18) Planning staff; and                 |
| (9) Follow-up personnel;  | (19) Monitoring and oversight staff      |
| (10) PIC staff;           |  |

c. All materials, supplies, equipment, office space, utilities, and telephone costs related to the above positions and activities must be charged to the administrative cost category.

d. Other administration costs include, but are not limited to:

- (1) Staff training;
- (2) PIC incorporation;
- (3) Construction;
- (4) Personal liability insurance for PIC members;
- (5) Indirect costs;
- (6) Staff bonding;

- (7) Solicitation of bids;
- (8) Public notices;
- (9) Publishing of local plans;
- (10) Advertising for personnel;
- (11) Printing of forms;
- (12) Subscriptions;
- (13) Memberships in organizations;
- (14) Printing, reproduction, materials, supplies, equipment, and reference materials not used in providing training to participants;
- (15) Storage costs associated with records, equipment, and materials;
- (16) Auditing; and
- (17) Employment-generating activities designed to increase job opportunities for eligible individuals in the area, including, but not limited to, the following:
  1. Special surveys;
  2. Studies;
  3. Community profiles;
  4. Job skill forecasts;
  5. Directly relevant travel and conference expenses;
  6. Essential labor market and program analysis which does not duplicate other federal or state-funded efforts;
  7. Consultant services.

**14.42(2) *Participant support.*** Participant support costs include, but are not limited to, the following:

- a. Needs-based payments;
- b. Employment-generating activities designed to increase job opportunities for eligible individuals in the area, including, but not limited to, the following:
  - (1) Special surveys;
  - (2) Studies;
  - (3) Community profiles;
  - (4) Job skill forecasts;
  - (5) Directly relevant travel and conference expenses;
  - (6) Essential labor market and program analysis which does not duplicate other federal or state-funded efforts;
  - (7) Consultant services.
- c. Supportive services including child care, health care, transportation, counseling, residential (lodging), meals, clothing, relocation expenses and other miscellaneous participant services;
- d. Fifty percent of any work experience activity which meets the following criteria:
  - (1) Is not more than six months in length;
  - (2) Is combined with classroom or other training activities that is either specified in the participant's Employability Development Plan (EDP) or meets established academic standards;
  - (3) The participant does not enter another work experience activity in the same Title or program; and
  - (4) The wages do not exceed the prevailing entry-level wage for the same occupation in the same labor market area.
- e. One hundred percent of any work experience activity which does not meet the requirements of 14.42(2) "d." All work experience conducted under the Title IIB Summer Youth Employment and Training Program must fall into this category.

**14.42(3) *Training costs.***

- a. The salaries, fringe benefits, and travel costs of personnel directly engaged in providing the following are to be charged to the training cost category:
  - (1) Participant training;
  - (2) Remedial education;

- (3) Job related counseling;
- (4) Employability assessment;
- (5) Eligibility determination;
- (6) Enrollment and selection process;
- (7) Job development;
- (8) Job search assistance;
- (9) Outreach;
- (10) Employer outreach necessary to obtain job listings for job training opportunities; and
- (11) Fifty percent of a limited work experience.

b. All materials, supplies, equipment, office space, utilities, and telephone costs related to the above functions shall be charged to the training category.

c. Training costs include, but are not limited to:

- (1) Books, equipment and materials used in providing training to participants;
- (2) Classroom space and related utility and telephone;
- (3) Tuition and entrance fees that represent instructional costs which have a direct and immediate impact on participants; and
- (4) Participant accident/medical insurance.

d. Commercially available training packages, including advanced learning technology, may be purchased for off-the-shelf prices and without requiring a breakdown of the cost components of the package, if packages are purchased competitively and include performance criteria.

e. Construction costs are an allowable training cost when the funds are used both to:

- (1) Purchase equipment, materials and supplies for use by the participant while on the job and for use in the training of the participant (the purchase of equipment, materials and supplies will be limited to handtools, workclothes, uniforms, and safety equipment); and
- (2) Cover costs of a training program in a construction occupation including costs such as instructors' salaries, training tools and books.

**345—14.43(7A,7B, 29 U.S.C. 1501 et seq.) Cost limitations.** These cost limitations apply to funds which are available at the SDA level.

**14.43(1) All JTPA titles and programs.** Cost category limitations must be applied against new budget figures for each program year. Dollars designated for a cost category must remain in that cost category until expended with the following exceptions: Dollars designated for administration may be redesignated as participant support or training and dollars designated for participant support may be redesignated as training.

**14.43(2) Title IIA adult and youth program.**

a. Cost category limitations and minimum requirements for this program are:

- (1) Costs of administration may not exceed 15 percent of new budget dollars for each program year;
- (2) Costs of administration plus participant support may not exceed 30 percent of new budget dollars for each program year unless the PIC initiates a request to exceed this limitation via the job training plan (JTP) which is subsequently approved by the state administrative entity and included in the grant agreement;
- (3) A minimum of 70 percent of each year's total allotment to each SDA must be expended on training; and
- (4) A minimum of 85 percent of each year's total allotment to each SDA must be expended on training and participant support.

b. The PIC must initiate any action to exceed the limits on new budget dollars for Title IIA participant support costs. Should the PIC choose to do so, the JTP must state why the limitation will be exceeded and the amount by which the limitation is to be exceeded. The request to exceed the limitation for Title IIA participant support costs must be based on one or more of the following conditions:

1. An unemployment rate (in the service delivery area or that portion within which services resulting in excess costs are to be provided) which exceeds the national average unemployment rate by at

least three percentage points, and the ratio of current private employment to population in the area or portion is less than the national average of the ratio;

2. The JTP proposes to serve at least 65 percent of all participants from groups requiring exceptional supportive service costs, such as handicapped individuals, offenders, and single heads of households with dependent children;

3. The cost of providing necessary child care will exceed one-half of the participant support budget;

4. The costs of providing necessary transportation will exceed one-third of the participant-support budget; and

5. At least 25 percent of the participants to be enrolled in programs in the service delivery area are in training programs of nine months' duration or more.

c. Any request to exceed the limit for participant support will be approved for one program year only. The request will be approved based upon proposed service as described in the JTP. However, grant modifications which will be necessary to move funds from the training cost category of the budget into the participant support cost category will not be executed until:

(1) All funds budgeted for participant support within the limitations described have been expended or obligated; and

(2) The conditions described in the request actually exist.

**14.43(3)** *Title IIB summer youth employment and training program.* The only cost category limitation for this program is that costs of administration may not exceed 15 percent of new budget dollars for each program year.

**14.43(4)** *Title III dislocated worker center program.* Cost category limitations for this program are:

a. Costs of administration may not exceed 15 percent of new budget dollars for each program year;

b. Costs of administration plus participant support may not exceed 30 percent of new budget dollars for each program year; and

c. A minimum of 70 percent of each year's total allotment to each SDA must be expended on training.

The cost category limitations listed above will be applied to the total funds allocated to each DWC grantee and the amounts will be entered in the cost limitations summary of the grant agreements. For auditing purposes, the DWC grantee will be limited to the budgeted cost category amounts in the grant agreement. The federal cost category limitations will be applied to the statewide aggregate amounts.

**14.43(5)** *State education coordination and grants (8%) program.* Cost category limitations for this program are:

a. Costs of administration may not exceed 12.5 percent of new budget dollars for each program year; and

b. Up to 25 percent of the funds made available to an SDA each program year may be expended for activities for noneconomically disadvantaged individuals. The specific percentage will be determined by the state administrative entity on an annual basis.

The cost category limitations listed above will be applied to the total funds allocated to each 8% administrative entity or project and the amounts will be entered in the agreement with the department of public instruction. For auditing purposes, each 8% administrative entity and project will be limited to the budgeted cost category amounts in the agreement. The federal cost category limitations will be applied to the statewide aggregate amounts.

**14.43(6)** *Incentive grants and technical assistance (6%).* Costs of administration plus participant support may not exceed 30 percent of the performance incentive grant funds awarded each program year.

**14.43(7)** *Older individuals training program (3%).* Cost category limitations for this program are:

(1) Costs of administration may not exceed 12.5 percent of new budget dollars for each program year; and

(2) Costs of administration plus participant support may not exceed 27.5 percent of new budget dollars for each program year.

**345—14.44(7A,7B, 29 U.S.C. 1574) Financial management.**

**14.44(1)** Federal JTPA regulations require that the financial system of the state administrative entity and each JTPA grantee provide fiscal controls and accounting procedures sufficient to:

- a. Permit preparation of required reports;
- b. Permit the tracing of funds to a level of expenditure which demonstrates funds have not been used in violation of the Act, state and federal regulations, and grant agreement general provisions; and
- c. Demonstrate compliance with matching requirements.

**14.44(2)** Minimum requirements for a financial management system. A financial management system must include:

- a. Adequate administrative and internal controls to safeguard funds;
- b. Procedures to ensure that expenditures are planned, controlled, recorded, and reported against: training, participant support, and administrative cost categories; the total of each Title or program; and adult and youth for Title IIA and 6% funds;
- c. Procedures to ensure that expenditures are reported by: each funding source listed in the budget summary; program year; cost category; and adult and youth for Title IIA and 6% funds.
- d. Financial records that accurately and properly reflect program costs by allowable cost categories;
- e. Procedures to ensure timely and accurate reporting;
- f. Procedures to ensure compliance with cost provisions of the Act, state, and federal regulations, and grant agreement general provisions;
- g. Procedures to determine that costs incurred are necessary, reasonable, and allocable to the program;
- h. Procedures for determining allowable costs;
- i. Procedures that ensure that cash on hand is kept to a minimum;
- j. Procedures to identify program income including controls to ensure the proper reporting, use, and accountability of those funds;
- k. Procedures for determining allowable match including documenting and reporting match;
- l. Information needed to evaluate the effectiveness of the program;
- m. Procedures for maintaining time and attendance records; and
- n. An accounting system which uses generally accepted accounting principles to control and account for JTPA funds in order to ensure that JTPA moneys are used in accordance with the Act, state and federal regulations, and grant agreement provisions. An accounting system must include procedures for:

- (1) Coding of expenses to: grants; total of each Title and program, cost categories within each; and adult and youth for Title IIA and 6% funds;
- (2) Reviewing, editing, and approving expenditures for accuracy, allowability and allocability;
- (3) Reconciling books of account with bank statements;
- (4) Posting transactions to books of account;
- (5) Preparing trial balances;
- (6) Preparing financial reports by grant, funding source as listed in the budget summary, program year, cost category, and adult and youth for Title IIA 6% funds;
- (7) Maintaining a petty cash system if one is used;
- (8) Maintaining a cash receipt and disbursement system;
- (9) Distributing joint costs;
- (10) Safeguarding unsigned and signed checks; and
- (11) Maintaining a payroll system.

**14.44(3)** Program income. Any JTPA program income generated must be reported monthly to the state administrative entity. Each grantee will be notified regarding action that must be taken with income generated.

**14.44(4)** Administrative cost pool. Administrative funds received under all JTPA titles may be used to form an administrative cost pool. However, the actual reporting of administrative costs must be by title or program. A cost allocation plan may be used to distribute the joint costs to titles and programs for reporting purposes. The plan must be in place prior to the pooling of administrative costs.

**14.44(5)** Bonding. An individual who is authorized to act on behalf of a grantee for the purpose of receiving or depositing JTPA funds into program accounts or issuing financial documents, checks, or other instruments of payment for program costs must be covered, at a minimum, by a fidelity bond equal to the lower of the following:

- a. \$100,000; or
- b. The highest advance or reimbursement received through check or drawdown during the term of a grant agreement.

**14.44(6)** Indirect cost rates. Indirect costs may be charged to a JTPA grant if the grantee has an approved indirect cost agreement with a federal cognizant agency and the agreement covers the term of the grant. Up to 10 percent of salaries and fringe benefits, excluding participant salaries and fringe benefits, or the approved rate, whichever is less, may be charged to a JTPA grant.

**14.44(7)** Time and attendance records. Time and attendance records must be maintained for any individuals who receive any part of their wage from JTPA funds, including participants, and for all participants who receive tryout employment compensation, needs-based payments, or support service payments which are made directly to the participant. Time coding or allocation plans must be used for all personnel receiving payment from more than one fund or JTPA Title or program.

**14.44(8)** Participants. At a minimum, time and attendance records for participants must contain:

1. The participant's name;
2. The attendance or work period;
3. Attended hours;
4. The participant's signature;
5. The supervisor's or instructor's signature;
6. The scheduled hours not attended; and
7. The reason for nonattendance.

An exception method of time and attendance records is allowable for participants and must contain:

1. The participant's name;
2. The attendance or work period;
3. The participant's signature for absent hours;
4. The supervisor's or trainer's signature at the end of each pay period that all hours, excluding absent hours, are work or training hours;
5. If no absent hours are used, the supervisor's or trainer's signature attesting that all hours are work or training hours;
6. The scheduled hours not attended; and
7. The reason for nonattendance.

**14.44(9)** All other personnel. At a minimum, time and attendance records must contain the following for all time for which personnel provided services to JTPA:

1. The participant's name;
2. The attendance or work period;
3. Attended hours;
4. The participant's signature;
5. The supervisor's signature;
6. The scheduled hours not attended; and
7. The reason for nonattendance.

An exception method of time and attendance records is allowable for participants and must contain:

1. The participant's name;
2. The attendance or work period;
3. The participant's signature for absent hours;

4. The supervisor's signature at the end of each pay period that all hours, excluding absent hours, are work or training hours;
5. If no absent hours are used, the supervisor's or trainer's signature attesting that all hours are work or training hours;
6. The scheduled hours not attended; and
7. The reason for nonattendance.

**14.44(10) Matching.** The state education coordination and grants program (8%) and the Title III employment and training assistance for dislocated workers require that matching funds be identified by a total amount equal to the amount provided pursuant to sections 123(b) and 304 of the Act. Local grantees and contractors for these programs must assist the state in meeting these matching requirements. State education coordination and grants program grantees and Title III grantees for dislocated worker centers must identify matching funds as identified by the state administrative entity. The Title III match must be made from nonfederal sources, whereas the 8% match may utilize both nonfederal and federal (non-JTPA) fund sources.

Matching requirements may be satisfied by cash contributions or by in-kind contributions which are identified and are used to provide services to JTPA participants. In-kind matching contributions for the state education coordination and grants program may be identified when used in support of participants enrolled in the 8% program only. In-kind matching for the Title III program must be linked to participants enrolled in Title III.

Sources of matching funds may include, but are not limited to, the following:

1. Cash;
2. The employer's share of on-the-job training costs for JTPA participants enrolled in OJT activities;
3. For the state education coordination and grants (8%) program, the state's share of unemployment insurance compensation payments made to JTPA participants while they are enrolled. (For Title III, the state's share of unemployment insurance compensation is applied to the match at the state level and cannot, therefore, be used at the local level);
4. The salaries and fringe benefits of non-JTPA funded personnel while they are providing training to JTPA participants;
5. The costs of equipment, supplies, and materials which are used to provide training or services to JTPA participants and which are not paid for through JTPA funds. A depreciation formula must be used to determine the matching value of grantee or contractor-owned equipment;
6. The costs of facilities and related utility expenses used to provide JTPA training and not paid for through JTPA funds. It may be necessary to use a depreciation formula to determine the matching value of grantee or contractor-owned facilities;
7. Indirect costs of grantees or contractors which have a federally approved indirect cost rate. The amount to be identified as match may only include the portion of the indirect rate not paid by JTPA funds;
8. The proportionate share of state and local funds used to support existing programs in local education agencies into which JTPA participants are enrolled. The match is calculated from the state average support of state general aid and local tax levy per contact hour in local education agencies multiplied by the contact hours of JTPA participants. The average support value is available from the Iowa department of education;
9. The proportionate share of JTPA enrollments in customized training programs supported by public income resources such as the new and expanding business and industry training program, the Iowa industrial start-up training program, and the Iowa industrial new jobs training program;
10. The housing and maintenance costs for JTPA participants who are institutionalized, calculated on the basis of training time to rehabilitation activity time;
11. Non-JTPA wages and related fringe benefits earned by JTPA participants while attending JTPA training sessions; and
12. For 8% programs, Pell grants.

It is essential that grantees and contractors establish and maintain documentation of all identified match. For in-kind match, documentation must clearly indicate the linkage of matching contributions with JTPA participants and activities.

**14.44(11) Closeout.**

*a.* Each grantee must complete and submit closeout documents as provided by the state administrative entity. The following documents comprise the closeout package:

1. A grantee/contractor submittal of closeout documents form;
2. A request for reimbursement form;
3. A periodic financial status report form;
4. A grantee/contractor release form; and
5. Inventory of JTPA-related property.

*b.* A closeout must be completed for each grant agreement for each program year. The closeout must be received within 45 days for the end date of the grant agreement.

**345—14.45(7A,7B, 29 U.S.C. 1501 et seq.) Monitoring.** The Act and its implementing regulations assign responsibilities for monitoring to a variety of administrators, policy makers and operators within the JTPA delivery system. These monitoring requirements are intended to promote effective utilization of public funds and to provide procedures that ensure that the objectives of the program are being met.

**14.45(1) Requirements of a monitoring system.**

*a.* Financial and program compliance monitoring must be performed by the grantee at reasonable intervals.

*b.* The monitoring system must be designed to determine whether the program and financial operations of the entity being monitored comply with all applicable laws and regulations. The monitoring system must include provisions for checking:

- (1) Financial management;
- (2) Participant eligibility determination;
- (3) Program and plan compliance;
- (4) Equal opportunity compliance; and
- (5) Participant files.

*c.* A monitoring report on each entity monitored must be prepared and maintained along with documentation of corrective action.

**14.45(2) Monitoring requirements.**

*a.* Title IIA, Title III, 8%, 3% and Title IVC monitoring requirements. At a minimum, each program year grantees must monitor the following:

- (1) For Title IIA adult and youth programs the administrative entity, if different from the grantee;
- (2) Any contract for \$25,000 or more;
- (3) Any financial or nonfinancial contract with ten or more participants;
- (4) A 10 percent random sample of all remaining financial and nonfinancial subrecipient contracts;
- (5) A 10 percent random sample of all remaining participant files that are not tied to a contract.
- (6) If a contract selected for monitoring includes participants, a 10 percent random sample of the participant files on that contract must be monitored. If a participant file is selected for monitoring at any time during the program year, it must be removed from the universe for any later monitoring sample for that program year.

*b.* Title IIB monitoring requirements. At a minimum, each program year grantees must monitor the following:

1. The administrative entity, if different than the grantee;
2. Any contract for \$25,000 or more; and
3. A 5 percent random sample, but no less than five, of all remaining contracts, excluding work experience contracts.

4. All Title IIB work experience contracts must receive worksite monitoring visits twice during each summer program.

5. If a contract selected for monitoring includes participants, a 5 percent random sample of the participant files on that contract must be monitored. If a participant file is selected for monitoring at any time during the program year, it must be removed from the universe for any later monitoring sample for that program year.

**345—14.46(7A,7B, 29 U.S.C. 1501 et seq.) Procurement procedures.** The standards and guidelines contained in this rule apply to the procurement of supplies, property and service for JTPA programs.

**14.46(1) *Competitive process.*** Except as provided in 14.46(5), procurement under JTPA grants shall be made by a competitive system which is fair, efficient and effective. All procurement transactions must be conducted in a manner that provides maximum open and free competition.

**14.46(2) *Requirements.*** The following requirements must be taken into consideration and documented as appropriate:

- a. The requirements outlined in Section 107 governing the selection of service providers.
- b. Conflict of interest and the appearance of conflict of interest shall be avoided in the selection of service providers.
- c. Small and minority businesses and women's business enterprises shall be afforded an opportunity to submit bids or proposals under a competitive system, assuming that they normally provide the needed materials or services.

**14.46(3) *Procurement methods.*** There are two types of allowable competitive procurement procedures:

a. Request for quotations (RFQ). An RFQ is appropriate when the supplies, property or service to be procured has been specifically defined and price quotes are sought. When an RFQ method is used, the grantee shall:

- (1) Provide a clear and accurate description of the technical requirements for the supplies, property, or services to be procured;
- (2) Solicit an adequate number of bids or quotations from qualified sources; and
- (3) Designate a period of performance.

RFQs for any supplies, property, or services with a value of \$1,000 or more require written contact on the part of the grantee. All quotes received must be documented regardless of the amount of the proposed purchase. If the lowest bid on an RFQ is not accepted, documentation of the justification of the purchase must be kept on file.

b. Request for proposals (RFP). An RFP is appropriate when the supplies, property, or services to be procured have not been specifically defined and proposals which further describe what will be provided are being sought and will be evaluated on other factors in addition to cost. When an RFP is used, the grantee shall:

- (1) Provide a clear and accurate description of the technical requirements for the supplies, property, or services to be procured;
- (2) Solicit an adequate number of proposals from qualified sources through direct written contract, advertising, or public notice;
- (3) Identify all significant evaluation factors;
- (4) Establish a timeline for the submittal of proposals; and
- (5) Designate a period of performance.

c. A standing RFP may be established by a grantee if written procedures for review, evaluation and selection are maintained on file and notice of the standing RFP is published.

**14.46(4) *RFPs for the Title III dislocated worker program.*** In addition to the considerations and requirements listed in subrule 14.46(3) "b," RFPs for Title III must also include the following information to be considered by the PICs and LEOs in making their selection:

- a. The need for the proposed training and retraining;
- b. Evidence of local effort to support the proposed activities through public or private funds or in-kind contributions;

- c. Demonstrated effectiveness of the applicant in providing training or retraining;
- d. Documentation that the proposed program will prepare participants for specific employment opportunities or occupations projected to be in demand in the local economy; and
- e. Documentation that the proposed program is nondiscriminatory and will prepare persons for traditional and nontraditional occupations.

**14.46(5) *Circumstances not requiring competitive procurement.*** Under some circumstances, competitive procurement processes are not feasible or they may have a negative impact upon the program such as an unreasonable or extraordinary delay in program services. In this situation, procurement may be conducted on a negotiated, not a competitive basis. These circumstances are limited to the following:

- a. Purchases of supplies, property or services which cost no more than \$100;
- b. Work experience, vocational exploration, and on-the-job training contracts, including on-the-job training conducted as part of retraining or upgrading activities;
- c. All other individual training or services contracts involving only one participant, unless the contract includes the purchase of property. Property having a unit value of \$100 or more must be purchased through competitive procedures;
- d. Activities and services which are provided by the grantee or administrative entity;
- e. Supplies, property and services which are only available from a single source; and
- f. Other circumstances for which the state administrative entity provides written approval.

**14.46(6) *Review and approval.*** In addition to the procurement procedures described in this rule, purchases are subject to the following review and approval requirements:

- a. Any property with a unit value of \$500 or more must have prior approval at the local level in accordance with a PIC and LEO agreement and prior approval by the state administrative entity; and
- b. Any property to be used in conjunction with the microcomputer system and having a unit value of \$100 or more, must have the approval of the state administrative entity prior to purchase.

### **345—14.47(7A,7B, 29 U.S.C. 1501 et seq.) Property.**

#### **14.47(1) *Property acquisition.***

- a. Purchase or lease-purchase of property, including participant property, with a unit value of \$500 or more requires prior approval from the state administrative entity.
- b. Property with a unit value of \$500 or more purchased or lease-purchased with funds distributed under Title IIA adult and youth program, Title IIB summer youth employment and training program, the Title III dislocated worker center program, the older individuals training program, the state education coordination and grants program and the incentive grant awards must receive prior local approval in accordance with an agreement between the PIC and LEOs.
- c. Purchase of property with a unit value of \$100 or more that is to be used in conjunction with the grantee's microcomputer system requires prior approval from the state administrative entity.
- d. A completed request to purchase property form must be submitted to the appropriate field administrator or grant officer prior to purchasing property. Documentation of local approval must be included with the form when local approval is required.
- e. Items of any value purchased separately to form a unit with a value of \$100 or more must be handled in the same manner as property with a value of \$100 or more.

#### **14.47(2) *Property management.***

- a. Title to all property, including participant property, with a unit of \$100 or more is vested with the state.
- b. All property with a unit acquisition cost of \$100 or more and participant property with a unit value of \$500 or more must be identified with a state administrative entity property tag. It is the responsibility of each grantee to request property tags and to provide the information necessary for inventory purposes. For inventory recording it will be assumed that the grantee has purchased all property which has been approved unless otherwise demonstrated.
- c. An inventory of all property with a unit acquisition cost of \$100 or more, participant property with a unit value of \$500 or more, and all property assigned to the grantee which was transferred from

the comprehensive employment and training Act (CETA) must be maintained. The inventory must include the following:

- (1) Property tag number;
- (2) Description of the property;
- (3) Stock or identification number, including model and manufacturer's serial number, when applicable;
- (4) Manufacturer;
- (5) Purchase date;
- (6) Purchase order number, when applicable;
- (7) Unit cost;
- (8) Location of property;
- (9) Condition of property;
- (10) Disposition of property, as applicable; and
- (11) Grant agreement number.

A physical check of all property with a unit acquisition cost of \$100 or more, and participant property with a unit value of \$500 or more, must be made prior to the end of each closeout period.

**14.47(3) Property maintenance.**

*a.* Maintenance and upkeep of all property purchased and all property transferred from CETA to the grantee is the responsibility of the grantee.

*b.* Maintenance procedures must be established and implemented to ensure maintenance of the property in good condition. All costs incurred are the responsibility of the grantee and are allowable costs.

*c.* A control system to ensure adequate safeguards to prevent loss, damage, or theft of any property must be established and implemented. Any loss, damage, or theft must be investigated by the grantee, reported to the proper authorities, and reported to the state administrative entity. The grantee may be held responsible for the replacement of any property, lost, stolen, or damaged beyond cost effective repair.

*d.* The disposal of any nonparticipant property requires the prior approval of the state administrative entity.

*e.* Participant property may be retained by the participant upon successful completion of the participant's JTPA activities without prior approval from the state administrative entity. The state administrative entity must be notified within 30 days of disposal of participant property.

**14.47(4) Property use.**

*a.* Property, real or personal, purchased with JTPA funds or transferred from programs under the CETA must be used for purposes authorized by the Act.

*b.* The JTPA program must be reimbursed the fair market value of any unneeded property retained by the grantee for use in a non-JTPA program.

*c.* Each grantee is responsible for determining what property is necessary to deliver activities and services under its approved local training plan or grant agreement.

*d.* Property that is needed to deliver the activities and services may be purchased by the grantee in compliance with the property purchase standards contained in these rules or made available to the grantee by the state administrative entity from surplus property. The state administrative entity retains title to all property with a unit value of \$100 or more.

*e.* All property, purchased by or transferred to the grantee, is the responsibility of the grantee through its grant agreement. The grantee is also responsible for ensuring that the property is utilized for activities and services approved in its local training plan or grant agreement and authorized by the JTPA.

*f.* When using JTPA purchased property for a class-size training effort, the following requirements must be satisfied:

1. The class-size training effort must be a JTPA-funded program for JTPA participants only;
2. Enrollment of non-JTPA individuals may be allowed only after it is determined that the class cannot be filled with JTPA participants. JTPA participants must always receive first priority for enroll-

ment in the class. If a class contains JTPA participants and non-JTPA individuals the pro rata training cost of the non-JTPA individuals cannot be paid for with JTPA funds.

3. The property cannot be used for non-JTPA purposes if it is not being used for JTPA purposes.

4. Property may be utilized by public entities for training non-JTPA individuals during hours that the JTPA training effort is not being conducted. A users agreement must be negotiated and signed by the grantee and the agency using the property. A copy of the agreement must be submitted to the state administrative entity.

5. If the JTPA class-size program is terminated or if no JTPA participants are enrolled in the class or if the property will not be used for 150 days or more, the grantee must notify the state administrative entity within 30 days of the date of termination.

**345—14.48(7A,7B, 29 U.S.C. 1501 et seq.) Unallowable costs.**

**14.48(1) Allowable costs.** To be allowable, a cost must:

- a. Be necessary and reasonable for proper and efficient administration of the program;
- b. Be allocable to a program; and
- c. Not be a general expense required to carry out the overall responsibilities of the recipient of the funds.

Costs charged to JTPA must be consistent with those normally allowed in like circumstances in non-federally funded activities and in compliance with applicable state and local laws or regulations, as determined by the state administrative entity. Final determination of allowability of costs will be made through the compliance review procedure and the audit process. The determination is based upon actual use of funds and not solely upon the name given to an expense.

**14.48(2) Unallowable cost.** The following are unallowable costs for SDA and statewide JTPA programs:

- a. Costs resulting from violations of or failure to comply with federal, state or local laws and regulations;
- b. Costs of amusements, social activities and related costs such as meals, beverages, lodgings, rentals, transportation and gratuities;
- c. Insurance policies offering protection against debts established by federal and state government;
- d. Legal services furnished by the chief legal officer of a state or local government or staff solely for the purpose of discharging general responsibilities as a legal officer;
- e. Legal expenses for the prosecution of claims against the state or federal government;
- f. Contributions and donations;
- g. Any excess cost over federal or state contribution under one grant agreement is unallowable under other grant agreements;
- h. Costs resulting from contributions to a retirement system or plan on behalf of any participant;
- i. Costs for public service employment;
- j. Contributions to a contingency reserve for unforeseen events; and
- k. Any losses arising from uncollectible accounts and other claims and related costs.
- l. Interest on borrowings, bond discounts, costs of financing and refinancing operations, and legal and professional fees paid in connection therewith.

This list is not intended to be all-inclusive. The SAE may also determine that costs are unallowable based on the requirements of the Act, regulations, grant agreement, local training plan, or state rules.

**345—14.49(7A,7B, 29 U.S.C. 1575 et seq.) Grantee report requirements.**

**14.49(1) State reports.** There are three reports which are required to be filed with the state administrative entity: the monthly progress report; file merge report; and the annual report. Instructions for completion and any necessary data or forms will be provided to the grantee by the state administrative entity.

**14.49(2) Monthly reports.** The information entered into the state administrative entity's microcomputer-based management information system (MIS) is the official database of the Iowa JTPA program. All reports must be consistent with the data contained in the MIS. To ensure consistency, reports must be completed at the same time and use the same reporting period as the microcomputer file merge reports which are prepared and submitted by the fifteenth of each month using the last day of the previous month as an end date for the reporting period. After a file merge report has been submitted, any other reports submitted for the same reporting period must agree. No additional data should be included for that reporting period which would change a subsequent report for the same reporting period.

*a. Monthly progress reports.*

1. This report contains data on enrollments, participant characteristics, terminations, activities and services, budgets, expenditures, participant service levels, and performance measures. Information from these standardized reports will be distributed quarterly via JTPA issuance and will also be disseminated at meetings of the SJTCC, PIC chairpersons, and chief LEOs and to other interested parties as requested. In addition, the information contained in these reports will be used to identify specific areas of performance in which technical assistance is needed.

2. A report must be generated for the Title IIA adult and youth program, the Title IIB summer youth employment and training program, the dislocated worker center program, the state education coordination and grants program, and the older individual training program in each SDA each month. A report must also be generated for any special project or program such as: the state education coordination and grants offender projects; the Title IVC veterans programs; and the Title III discretionary grants. These reports must be completed as designated in the appropriate grant agreement.

3. These reports must be signed by the grantee certifying the accuracy of the information and must be received by the administrator of the grants management unit with a copy to the appropriate field administrator by the fifteenth of each month for the preceding month except that the final monthly progress report for each program year must be received by July 31. All data for the program year must be entered into the microcomputer system prior to running the final monthly progress reports. A copy of the monthly progress report for the state education coordination and grants program must also be sent to the department of education. For Title IIB, reports are due on July 15, August 15, September 15, and October 15 with the final report due on November 15.

*b. File merge report.*

1. The file merge report contains data on all titles and programs and is compiled by merging files in the microcomputer management information system (MIS) as per instructions issued by the state administrative entity via the JTP information system user news. This merged data is then transmitted via diskette to the state administrative entity.

2. The file merge reports from all SDAs are entered into the state administrative entity's microcomputer where the data is used to compile aggregate reports and analyze data at the state and SDA levels.

3. The file merge reports must be submitted for each month by the fifteenth of the following month, except for the end-of-program-year file merge report which must be received by July 31. All data for the program year must be entered into the microcomputer system prior to running the end-of-the-year file merge report.

**14.49(3) Annual report.**

*a.* Several narrative reports are required in connection with JTPA activities. Section 104(b)(10) of the Act establishes that the PIC and LEOs in each SDA must submit an annual report to the governor. In addition, by state legislation, the state administrative entity is required to submit an annual report to the Iowa general assembly concerning JTPA activities. Finally, the SJTCC is required to submit an annual report to the governor concerning all JTPA activities.

*b.* In order to coordinate all of the above reports, a report must be submitted annually for the following JTPA titles and programs:

- (1) Title IIA adult and youth program;
- (2) Title IIB summer youth employment and training program;
- (3) State education coordination and grants programs (SDA);

- (4) State education coordination and grants programs (projects);
- (5) Older individual training program;
- (6) Title III dislocated worker center program;
- (7) Title III discretionary dislocated worker program; and
- (8) Title IVC veterans employment program.

c. The annual report for each title or program must include the cumulative information from the final monthly progress report for the program year plus a description of programs conducted during the program year. The narrative description should be no longer than five typewritten pages. Other elements may be included at local option.

d. Financial information contained in the annual report must agree with the grantee's closeout information which is submitted to the state administrative entity.

e. All annual reports must be signed by the PIC chairperson and chief elected official, except for 8% projects and Title IVC.

f. All annual reports are to be received by the administrator of the grants management unit no later than September 15 following the end of each program year. A copy of the state education coordination and grants program report must be submitted to the department of education (DOE) as per the agreement between the administrative entity and DOE. Since the Title IIB summer youth employment and training program is on a different program year cycle, the annual report for Title IIB will be for previously completed summer program year.

**14.49(4) Federal reports.** Reserved.

**345—14.50(7A,7B, 29 U.S.C. 1575) Participant and service provider record requirements.**

**14.50(1)** The minimum requirements for compilation and maintenance of an accurate and complete participant and service provider record are located in the "participant/service provider record" subsection of the Iowa JTPA Handbook. The JTPA Handbook update series, distributed to each grantee, will include any clarifications on modifications of the record-keeping requirements.

**14.50(2)** The participant and service provider record includes information collected and maintained on applicants, participants, and service providers. The information will be used for management, planning, reporting, and evaluation. The information collected is needed to comply with JTPA eligibility determination requirements, length of participation restrictions for certain program activities, applicant identification information, and federal reporting requirements.

**14.50(3)** To provide services and activities under JTPA, a number of forms and procedures will be used for application, planning, contracting, and documentation purposes. The following types of information must be collected and maintained:

1. Application;
2. Participant employability development plan;
3. Participant orientation;
4. Contracting forms;
5. Claim documentation;
6. Progress or evaluation;
7. Time and attendance record;
8. Activity;
9. Termination and placement; and
10. Follow-up.

For youth employment competencies systems:

1. Individual youth competency plan; and
2. Employability profile.

**14.50(4)** The grantee agrees to comply with these record-keeping requirements when it enters into a grant agreement with the state and accepts JTPA funds.

**345—14.51(7A,7B, 29 U.S.C. 1575) Management information system (MIS).** The Act requires each state, administrative entity and grantee to make reports prescribed by the secretary of labor and to

develop and maintain a management information system. This MIS is to be designed to facilitate the uniform compilation and analysis of the programmatic and financial data, on statewide and SDA bases, necessary for reporting, monitoring, and evaluating purposes.

**14.51(1) Description.** The Iowa MIS for JTPA is a microcomputer-based system. Each Title IIA adult and youth program grantee has its own microcomputer and each state administrative entity JTPA field office has a microcomputer. A central microcomputer network is located at the state administrative entity in Des Moines, Iowa. Participant and financial information is entered into the system at each SDA location for the Title IIA adult and youth program, the Title IIB summer youth employment and training program, the Title III dislocated worker center programs which are operated by Title IIA grantees, the state education coordination and grants (8%) programs which are operated by Title IIA grantees, and the older individual training (3%) programs. For the state education coordination and grants (8%) projects and the Title III dislocated worker center programs not operated by Title IIA grantees, the participant and financial information is entered into the microcomputer system at a designated state administrative entity field office.

Grantees are required to submit electronic file merge reports to the state administrative entity containing the participant and financial data which has been entered into the microcomputer. The information from all grantees is entered into the central microcomputer network at the state administrative entity's Des Moines office where it is used to generate required federal reports, provide statewide and SDA level information to the governor, the SJTCC, JTPA officials, and other interested parties; and to assist the state administrative entity with the identification of areas of need for technical assistance and corrective action or sanctions.

**14.51(2) Requirements.**

*a.* The information entered into the state administrative entity's microcomputer-based MIS is the official database of the Iowa JTPA program. Each grantee must utilize the MIS as prescribed by the state administrative entity.

*b.* For the Title IIA adult and youth programs, the Title IIB summer youth employment and training program, the Title III dislocated worker center programs which are operated by Title IIA grantees, the state education coordination and grants (8%) programs which are operated by Title IIA grantees, and the older individual training (3%) programs, data must be entered into the Title IIA grantee's microcomputer as prescribed in the MIS data entry subsection of the Iowa JTPA Handbook provided to each grantee.

*c.* For the state education coordination and grants (8%) projects and the Title III dislocated worker center programs not operated by Title IIA grantees, the participant and financial information must be entered into the microcomputer system at the state administrative entity's field office via standardized forms as prescribed in the MIS data entry subsection of the Iowa JTPA Handbook.

*d.* Each Title IIA adult and youth program grantee must maintain the microcomputer system and the MIS and keep it updated as provided by the state administrative entity.

*e.* Each grantee must ensure the security of the information entered into the microcomputer system and the MIS.

*f.* Unless otherwise indicated in the forms instructions in the MIS data entry subsection of the JTPA Handbook, all entries on the standardized data entry forms are required information.

*g.* Using the information collected in the MIS, grantees must provide reports required by the state administrative entity. Refer to rule 14.49 (7A,7B, 29 U.S.C. et seq.) for reporting requirements.

*h.* Information in the MIS should be reviewed at the local level to ensure that the information contained in the participant and service provider record is accurately recorded in the MIS.

*i.* The state administrative entity will validate MIS information as necessary.

**345—14.52(7A,7B, 29 U.S.C. 1577) Equal opportunity compliance.** The governor's coordination and special services plan (GCSSP) contains a statement of the state's commitment to equal opportunity in its JTPA program. In expressing this commitment, the GCSSP outlines certain methods of administration that JTPA grantees must utilize to ensure equal opportunity in the operation of JTPA-funded programs. The nondiscrimination requirements of Section 167 of the Act prohibit discrimination and

the methods listed in the GCSSP specify those activities which are found to give reasonable guarantee of compliance with applicable nondiscrimination laws.

**14.52(1) Designation of responsible employee.** Each grantee shall designate an individual or committee to coordinate equal opportunity and affirmative action responsibilities.

*a.* The name, title of position, address and telephone number of the equal opportunity (EO) representative should be made public.

*b.* An adequate level of resources (i.e., nonpersonnel, such as travel budget, and training funds) should be provided to the EO representative to enable the representative to accomplish the responsibilities assigned.

*c.* The equal opportunity representative should have a background relative to EO laws, regulations, theories of discrimination, and understanding of how to conduct EO investigations and reviews or be given the opportunity to receive training and appropriate technical assistance to develop such a background.

**14.52(2) Notification.** Procedures must be established to inform applicants, participants, program beneficiaries and employees that the program does not discriminate in admission, access, treatment, or, where applicable, employment in JTPA programs.

*a.* A system should be maintained for periodic distribution of EO-related policies, guidelines, and information.

*b.* Publication in languages other than in English should be provided, if necessary.

*c.* Advertisements, recruitment materials, program brochures, and other similar publications regarding JTPA program should contain a statement of EO policy.

**14.52(3) Posters.** Equal opportunity and affirmative action posters must be displayed prominently and in reasonable numbers. Posters should explain briefly the procedures for filing a complaint and identify a local contact person available to provide assistance.

**14.52(4) Monitoring.** A system for periodic monitoring of the compliance status of subcontractors and subrecipients must be established and implemented.

*a.* The system should provide for periodic on-site reviews to assess their EO compliance.

*b.* Findings should be documented and retained.

*c.* The system should identify EO training and technical assistance needs and identify how these needs will be met.

**14.52(5) Grievance system.** Reserved.

**14.52(6) Accessibility.** JTPA-funded programs must be accessible to the handicapped and program information must be available, as necessary, in languages other than English and for the visual and hearing impaired.

*a.* JTPA grantees should conduct a self-evaluation regarding the accessibility of the facilities where JTPA services are provided and establish alternate methods of providing services where facilities are determined not to be physically accessible to the handicapped.

*b.* Accessibility standards should be consistent with Department of Labor regulations.

**14.52(7) Record keeping.** Characteristics data (e.g., race, sex, national origin, age, handicap status) must be maintained in the records on applicants, participants, program beneficiaries and employees and records must be sufficient to determine whether grantees are in compliance with nondiscrimination and equal opportunity provisions of the applicable civil rights laws, regulations, and executive orders.

**14.52(8) Overcoming sex stereotyping.** Mechanisms must be developed for the use of recruitment, training, and other program activities and services to overcome sex stereotyping by encouraging entry of men or women into occupations with skill shortages where their representation is less than 25 percent of the labor force in the occupation. A list to assist in identifying those Iowa occupational areas where men or women represent less than 25 percent within the occupational area is available to grantees from the state administrative entity.

**14.52(9) Equal opportunity/affirmative action plan.** Affirmative action plans containing goals and timetables must be on file prior to making a bid for public works, goods or services.

**14.52(10) Corrective action sanctions.** Procedures must be established for taking prompt action to correct or remedy noncompliance or, as necessary, and to invoke sanctions where noncompliance cannot be resolved voluntarily. Procedures for corrective action sanctions should provide for:

- a. Notice to contractor to correct deficiencies;
- b. Coordination with federal and state civil rights enforcement agencies, when necessary;
- c. An appeal process with risk of contract termination for cause and debarment from future contracting subject to a final appeal utilizing the existing complaint procedure;
- d. Rights and remedies for termination of the contract for cause should be stated in the contract;
- e. Contract termination and debarment procedures which take into consideration the history of experience with the contractor, nonperformance, the response to the corrective action required, lack of good faith or a minimal effort taken to indicate remedial action need to be developed. These procedures should be in the form of established procedures which establish the basis for debarment or termination of the grant whether due to civil rights violations or violations of any other contract provision.

**14.52(11) Contracting with small and minority firms and women's business enterprises.** Steps must be taken to ensure that small and minority firms and women's business enterprises are utilized when possible as sources of supplies, equipment, construction and services. Grantees should identify small, minority and women's business enterprises in their SDAs and maintain a list to be contacted.

**345—14.53(7A,7B, 29 U.S.C. 1554) SDA level complaint procedures.**

**14.53(1) SDA grantee complaint procedures.** Each service delivery area (SDA) grantee shall establish procedures for resolving any complaint by a participant, subgrantee, subcontractor and other interested persons alleging a violation of the JTPA, regulations, grant or other agreements under the JTPA by the SDA grantee, administrative entity, private industry council, subgrantee or subcontractor. At a minimum, the SDA level complaint procedure shall provide for:

- a. Resolution of any complaint, except discrimination complaints which shall be resolved consistent with 14.53(1)“k” and 14.53(2), alleging a violation of the Act, federal regulations, JTPA administrative rules, grant or other agreements under the Act;
- b. Resolution of complaints arising from actions such as audit disallowances or the imposition of sanctions taken with respect to audit findings, investigations or monitoring reports;
- c. Filing of complaints within one year of the alleged violation, except for allegations of fraud or criminal activity and discrimination prohibited under the Act;
- d. An opportunity for a hearing within 30 days of the date the complaint is filed;
- e. Written notice of the date, time, and place of the hearing;
- f. An opportunity to present evidence at the hearing;
- g. Opportunity to have records or documents relevant to the issues produced by their custodian when the records or documents are kept by or for the SDA grantee or its subgrantees in the ordinary course of business and where prior reasonable notice has been given to the presiding officer;
- h. A written decision within 60 days of the date a complaint is filed;
- i. A written explanation to all parties of the right to request a review by the state of the complaint if a party receives an adverse decision or if there is no final decision within the 60-day period. Requests for review by the state must meet the requirements of 14.86(3);
- j. If the state should fail to issue a decision within 30 days of the filing of the request for state review, a party may request from the Secretary of Labor a determination whether reasonable cause exists to believe that the Act or regulations have been violated. A request to the Secretary of Labor must be filed within 10 days of the date a decision should have been issued by the state and conform to the requirements of 20 CFR 629.52(d) as of October 7, 1980; establishes procedures for the cooperative development of that plan.
- k. A written procedure made available to all parties of the right to file a discrimination complaint which includes notice that discrimination complaints on the basis of:
  - (1) Race, color, religion, sex, national origin, political affiliation or belief shall be filed with the Regional Department of Labor, Office of Civil Rights within 180 days of occurrence; and
  - (2) Handicap shall follow the procedure outlined in 14.53(2);

*l.* Upon enrollment, all participants must receive a written description of the complaint procedures which they are to follow. The description must include notification of the right to file a complaint and instructions on how to do so;

*m.* If a person is not familiar with English, a written or oral translation into a language understood by the individual must be provided. If a person is illiterate or semilliterate, the person must be advised of such right to the satisfaction of that person's understanding;

*n.* Upon filing a complaint, and at each stage thereafter, each complainant and party must be notified in writing of the next step in the complaint procedure;

*o.* A complaint log and a record of each complaint filed must be maintained at the local level.

*p.* Grantees and other subrecipients of JTPA funds must ensure that employers of participants under this Act continue to operate, or establish and maintain, a grievance procedure relating to the terms and conditions of employment. Employers may operate their own grievance procedure or use the grievance procedure established by the grantee. Employers shall inform participants of the grievance procedure they are to follow and of their right to have the employer's decision reviewed by the grantee.

**14.53(2) *Discrimination complaints.*** All complaints alleging discrimination based on race, color, religion, sex, national origin, age, handicap or political affiliation or belief must be filed within 180 days of occurrence. The local grantees must provide the charging party with the U.S. Department of Labor complaint information form and assistance in the completion and the filing of the discrimination complaint.

Complaints alleging discrimination based on handicap are to be filed with the local grantee and processed in accordance with 29 CFR 32.45 as of March 15, 1983. These procedures require the grantee to utilize an internal review procedure incorporating appropriate due process standards which provide for prompt and equitable resolution of handicapped-based complaints within 60 days. If the complaint has not been resolved satisfactorily to the charging party within 60 days of the filing referral, the charging party or representative may file a complaint directly with the Regional Office for Civil Rights within 30 days of the appropriate grantee decision or 90 days from the date of filing the complaint, whichever is earlier.

This rule is intended to implement Iowa Code chapters 7B, 17A, 1986 Iowa Acts, chapter 1245, section 808, subsection 6, and 29 U.S.C. 1554.

**345—14.54 and 14.74** Reserved.

DIVISION III  
STATE ADMINISTRATIVE ENTITY PROCEDURES

**345—14.75 and 14.76** Reserved.

**345—14.77(7A, 17A, 29 U.S.C. 1501 et seq.) Incentive grants award system.** Exceptional performance in the Title IIA program is recognized and rewarded through an incentive grant system. Section 202(b)(3) of the Act reserves 6 percent of the Title IIA funds coming into the state to provide incentive grants to SDAs which demonstrate superior performance and to provide technical assistance to those SDAs which do not qualify for incentive grants.

These funds are to be used as incentives to enroll hard-to-serve participants in JTPA. An additional performance measure for serving the hard-to-serve population has been established in Iowa. This measure is included in the distribution of incentive grants. Refer to the Iowa JTPA Handbook for a description of the performance measures used in Iowa.

The incentive funds awarded to an SDA can be used for any purposes allowable under its regular Title IIA allocation. There is a requirement that at least 70 percent be expended in the training cost category and a maximum of 30 percent be applied to the combined administration and participant support cost categories. These funds are exempted by federal regulation from the 15 percent-limitation

usually applied to the administration cost category. The SDA's required youth expenditure rate applies to its incentive funds.

**14.77(1) *Division of funds.***

a. If there are any incentive funds from previous program years which must be awarded due to a redetermination, the amount of those funds will be subtracted from the available funds for the current year.

b. These funds are divided into two categories:

1. Twenty-five percent of the funds are reserved by the state administrative entity (SAE) to provide preventative technical assistance;

2. Seventy-five percent of the funds available are apportioned into formula shares for each SDA using the regular Title IIA formula. These SDA formula shares are then further subdivided into specific dollar amounts corresponding to the eight Title IIA performance measures. The SAE will assign percentage weights to each of the eight performance measures and distribute this information to the SDAs.

**14.77(2) *Data requirements and timeline for incentive awards.***

a. The determination of actual performance achievement on the eight performance standards and subsequent incentive awards will be based upon data contained in the microcomputer-based management information system (MIS). All final program year data must be entered in the MIS and a final JTPA annual status report generated no later than August 15 following the end of the program year. The information contained on this report will be used for incentive award determination. No updates to this data will be permitted unless authorized by the SAE.

b. The initial determination of incentive awards will be made no later than September 1 following the end of the program year. By that time each grantee will be notified of its initial performance and incentive award determination. The grantee will be allowed 15 days in which to respond to the initial determination. The grantee's response is to be limited to consideration of the calculation of the awards. A final determination and the awarding of incentive funds will occur no later than October 1 following the end of the program year.

c. The SAE reserves the authority to adjust the timelines for the awarding of incentive funds if exceptional circumstances warrant an adjustment.

**14.77(3) *Qualification for incentive awards.*** To be eligible for an incentive award for any performance measure, a grantee must exceed the base performance standard plus an improvement factor equal to the tolerance range in that performance measure.

**14.77(4) *Determination of incentive award amounts.***

a. If an SDA qualifies for incentive funds for a given performance measure, its share of the dollars for that measure is combined with the shares of all qualifying SDAs to establish the total incentive funds available for that performance measure. These funds are then divided as described in paragraph "c."

b. If an SDA does not qualify for incentive funds for a given performance measure, its share of those dollars reverts to the SAE to provide technical assistance to the SDAs that do not qualify for incentive grants. These funds will be pooled and the SAE will determine how these funds are to be expended for technical assistance. If any of these funds are not expended during the program year, the funds will be carried forward and added to new program year funds for distribution as incentive awards in the following program year.

c. The amount awarded to an SDA for each of the performance measures which it exceeds will be determined as follows:

(1) The percent by which each SDA exceeded the performance standard is calculated. These figures are then converted into a percentage of the total for each of the qualifying SDAs. This percentage represents the portion of the total funds for that performance measure which each SDA would be entitled to without reductions. This calculation will be performed for each of the eight performance measures. An SDA's total incentive award will be the sum of its share of the funds in each of these measures.

(2) An SDA's incentive award may be reduced for any of the following reasons: low expenditure rates; failure to meet service level requirements for dropouts; failure to meet service level requirements for WIN registrants; late submittal of required report. An SDA's incentive award will not be reduced to less than 10 percent of its incentive award.

The SAE will inform the SDAs of the tolerance levels acceptable to avoid reduction of its incentive award for any of the above reasons as well as the amount of reduction which will be imposed for not complying with the acceptable tolerance levels.

**14.77(5) *Redistribution of reduced awards.*** The SAE will redistribute those funds which are reduced from an SDA's incentive awards. The procedure for redistributing these funds will be developed by the SAE and priority for receipt of the funds will be given to those SDAs whose incentive awards were not reduced. A description of the redistribution calculation will be conveyed to the SDAs by the SAE by JTP issuance or other appropriate means. Funds which are not redistributed will revert to the SAE to be used for preventative technical assistance.

**14.77(6) *Distribution of funds.***

a. Incentive awards, including incentive funds which are redistributed, may not exceed an amount equal to 50 percent of an SDA's formula allocation of new program year funds for Title IIA.

b. Actual distribution of the funds will occur after the end of each program year when final performance standards are calculated. At that time, each SDA's Title IIA performance will be compared against its standards to determine eligibility for, and the amount of, incentive awards.

c. Incentive awards which are granted during any program year will be distributed based upon performance from the previous program year.

**345—14.78(7A, 17A, 29 U.S.C. 1501 et seq.) *Reallocation process.*** In order to avoid the loss of JTPA funds to the state, the SAE will reallocate Title IIA, IIB and 3% funds. For program year 1986, each SDA will be requested to voluntarily agree to reallocation, in accordance with a distribution procedure jointly developed by the SAE and SDA representatives, of excess program year 1985 carryover funds. For program year 1987 and thereafter, the SAE will redistribute carryover funds in accordance with the formula and procedures developed by the SAE. The SAE's reallocation formula and procedures will be distributed to the SDAs by JTP issuance or other appropriate means.

**345—14.79(7A, 17A, 29 U.S.C. 1501 et seq.) *Compliance review system.*** It is the responsibility of the state administrative entity (SAE) to review program operations of all its subrecipients. The components of the review system are based upon policies, objectives and procedures which are prescribed in federal, state, or local documents. It is the intent of the SAE that the review system meet the state's responsibility of oversight and monitoring while minimizing the degree of interference with local decision making and control of JTPA programs.

Federal documents used in conducting reviews include the JTPA and its implementing regulations. Other applicable federal laws and department of labor policies are incorporated into the review. Standards and policies contained in the Iowa JTPA Handbook, administrative rules, relevant state legislation, the governor's coordination and special services plan and policies contained in the grant agreements are also used in conducting the review.

The local document which is primarily used for review is the local training plan. Through this document the PIC and LEOs have established local goals and objectives, participant service levels, and specific procedures. It is a basic blueprint for JTPA program operation in the SDA and one of the documents used by the SAE to determine that the plan has been implemented effectively. The review may also include local policies and procedures for operation.

**14.79(1) *Method of review.*** There are two methods of review: statistical and procedural.

a. *Statistical method.* The statistical aspect of the reviews examines three areas: participant service levels; fiscal data; and performance measures.

(1) The review of service levels includes a number of items identified on the planning summaries in the local training plan which vary from one JTPA title or program to another.

(2) The fiscal review may vary from JTPA title and program. The fiscal review evaluation may include, but is not limited to, a review of expenditure levels in accordance with program requirements including cost category limitations, allowable costs, matching requirements, planned expenditure rates compared to actual expenditure levels, youth expenditures and the noneconomically disadvantaged expenditure requirements.

(3) The program performance review will include, but may not be limited to, a calculation of actual performance in each title and program and an evaluation of performance against performance standards.

*b. Procedural method.* The procedural aspect of the reviews includes the examination of procedures used to organize and operate JTPA programs in the SDAs. Local procedures will be reviewed to determine compliance with federal and state requirements governing the program. Items in this review include, but are not limited to, the following: applicant and participant process and activities and services; auditing; cash management; complaint procedures; debt collection; equal opportunity; federal and state reports; financial management; fiscal accountability; general program provisions; grant agreement provisions; LEO/PIC agreement; local job training plan; management information system; monitoring; monthly progress reports; participant service levels; participant and service provider record; PICs and LEOs; procurement procedures; property; record retention and verification.

**14.79(2) Procedures and timelines.** There are two procedures used to implement the methods of review described above: the monthly performance review and the annual financial and program compliance review.

*a. Monthly performance review.*

(1) Monthly performance reviews of the operation of JTPA programs will be conducted for each grantee. These reviews will provide a continuous process of program examination and identification of technical assistance needs.

(2) Monthly performance reviews will utilize the statistical method of review relying upon several reports including the JTPA financial status report (FSR), the MIS computer-generated monthly progress report and a monthly JTPA annual status report (JASR).

(3) The analysis of the data and a summary of the analysis will be provided to each local JTPA director no later than the end of each month. If significant findings are found in the analysis, corrective actions will be required or recommended and in some cases modification to the technical assistance plan may be necessary. If corrective action is required, the JTPA director must provide a written response along with the monthly reports submitted for the subsequent month. Follow-up determinations on findings and corrective actions will usually be carried out by examining the monthly reports. If a significant finding continues over a period of several months, an on-site review may be required.

*b. Annual financial and program compliance reviews.*

(1) Annual financial and program compliance reviews provide for a comprehensive, in-depth evaluation of all JTPA programs and a system of technical assistance to correct program deficiencies.

(2) Formal program compliance and financial management reviews will be conducted with each grantee annually using a compliance guide and applicable documents. The formats of these reviews will be included in the Iowa JTPA Handbook made available to each grantee.

(3) With the exception of Title IIB, both a financial management and program compliance review will be conducted during the first six months of the program year.

(4) A Title IIB program compliance review will be completed with each grantee during July of each summer program year. A program compliance review of 5 percent of the Title IIB worksites in each SDA will be conducted during June and July of each summer program year.

(5) The guides and documents used in conducting both program compliance and financial management reviews will include both statistical and procedural methods of review. The comprehensive review is designed to examine the statistical success or failure of the program operation and to evaluate the procedures, policies and methods of operation.

**14.79(3) Compliance review reports.**

*a.* A report will be completed on each financial and program compliance review and on each worksite visit. This report shall include: a description of findings including any questioned costs; rec-

ommended corrective action to be implemented by the grantee; and time frames for completing any corrective action and responding to the report.

*b.* Because these reviews examine both program achievement and program efficiency, technical assistance is provided on both a required and recommended basis. Required corrective actions are necessary for any program performance levels or procedures which are deficient or in conflict with required standards of operation. Recommended corrective actions are suggested which may result in improved program efficiency or effectiveness.

*c.* Initial reports that include corrective action will be sent to the grantee only. The initial report may also be sent to the PIC chairperson and the chief elected official if the review identifies substantial problems.

*d.* The grantee must respond in writing to each report that includes required corrective action. The response must include a description and documentation of any corrective action taken. If the grantee disagrees with the findings of the report, the grantee must include in the response the reasons for the disagreement and any appropriate documentation.

*e.* The grantee shall have 20 days from the date of the report to respond to program compliance review reports. A maximum of 15 days shall be allowed to respond to financial management reports. For worksite visits, findings requiring corrective action must be initiated immediately upon verbal notification of the findings. A written response to worksite findings must be made within 10 days of the date a written report is issued.

*f.* Upon receiving the grantee response, if further corrective action is determined necessary, a second report will be sent to the grantee within 20 days of receiving the grantee's response. The grantee shall have 15 days to respond to the second report.

*g.* A final report will be issued within 20 days of receipt of the grantee's response and corrective action. Copies of the final report, along with copies of the initial report and any responses from the grantee, will be sent to the PIC chairperson and the chief elected official.

*h.* Except for Title IIB, follow-up reviews will be conducted during the third quarter of the program year to review corrective actions taken in response to findings identified during the initial reviews. Title IIB follow-up will be conducted during the summer program year. Any follow-up visit will be documented via a letter to the grantee describing the findings and directing further corrective actions as necessary. If further corrective action is required, the grantee will have 15 days to respond.

#### **14.79(4) *Questioned costs.***

*a.* Reserved.

*b.* If costs are questioned in a compliance review report or audit report and disallowed by the SAE in a final report or final determination, debt collection procedures will be initiated as provided in 14.81 (7A, 7B, 29 U.S.C. 1501 et seq.). Grantees will be afforded an opportunity to request a hearing in accordance with 14.80(6). Waiver requests by the grantee for subgrantee misexpenditures will follow the requirements of 14.80(5).

**345—14.80(7A,7B, 29 U.S.C. 1501 et seq.) Audit resolution procedures.** The state administrative entity shall hold grantees liable for JTPA funds received through the grant. Grantees are responsible for audit resolution involving their subgrantees. This procedure shall be used by the SAE to resolve audit findings contained in grantee audits.

#### **14.80(1) *Grantee audit resolution.***

*a.* Grantees are liable to the state for any misexpenditure of JTPA funds received through the grant.

*b.* Grantees are responsible for audit resolution involving their subgrantees including affording the subgrantee an opportunity for a hearing under the local grantee complaint procedure.

*c.* Prompt, appropriate, and aggressive debt collection action by the grantee to recover any funds misspent by subgrantees shall be considered a part of the corrective action required by 14.80(5) "b"(3).

*d.* If a grantee requests a waiver under 14.80(5), the grantee shall not be released from liability for misspent funds of their subgrantees until the department of labor accepts the state's audit resolution

and corrective action report concerning the waiver by the state. If the department of labor rejects the state's waiver, the grantee remains liable to the state for the misexpended funds.

**14.80(2) Initial determination.**

a. For each final audit report received from each grantee, an initial determination allowing or disallowing costs questioned in the audit report and proposing corrective action(s) to be taken by the auditee will be sent to the grantee.

b. Each initial determination will include:

- (1) Citations to relevant statutory, regulatory, or grant agreement provisions supporting the findings and determinations;
- (2) Necessary corrective action required by the state administrative entity for the grantee to achieve compliance;
- (3) Request for additional documentation, if needed, to satisfactorily respond to findings; and
- (4) Notice of the opportunity for an audit resolution conference with the state administrative entity.

c. Each grantee will be allowed a 30-day period in which to respond to the initial determination and, if requested, meet with the state administrative entity to discuss informal resolution. If further clarification or information is requested by the state administrative entity to assist in the preparation of the final determination, additional time will be allowed for the grantee to respond to the request.

**14.80(3) Final determination.**

a. After receipt of the grantee's response to the initial determination, a final determination will be issued and sent by certified mail, return receipt requested, to the grantee. A final determination will be issued whether or not a response to the initial determination has been made.

b. A final determination will include:

- (1) Identification of those costs questioned in the audit report which will be allowed and an explanation of why those costs are allowed;
- (2) Identification of disallowed costs, listing each disallowed cost and describing reasons for each disallowance; and
- (3) Information on the grantee's right to appeal through the state administrative entity's appeal process as provided in 14.80(6).

c. A copy of each final determination will be used to establish a debt account in the amount of costs disallowed. An audit resolution report will be forwarded to the department of labor in the manner prescribed by the Secretary of Labor.

**14.80(4) Disallowance of costs.** The following criteria will be applied to questioned costs in determining whether those costs will be disallowed:

a. Costs not expended in accordance with the Act, regulations, grant agreement, plan, or administrative rules shall be disallowed;

b. If the misexpenditure was due to willful disregard of the requirements of the Act, regulations, grant agreement, plan, or administrative rules, gross negligence, or failure to observe accepted standards of administration, the costs will be disallowed and repayment must be from non-JTPA funds;

c. Costs may be disallowed if the funds were not expended in accordance with generally accepted accounting practices;

d. Ignorance of the requirements of the Act, regulations, rules or grant provisions is not sufficient justification to allow a questioned cost;

e. The grantee's inability to pay the debt will not be a consideration in the determination of allowing a cost.

**14.80(5) Waiver.**

a. If an established debt has been determined to have resulted from a fraudulent action or from willful disregard of the Act or applicable rules and regulations, no waiver will be granted. The SAE will initiate immediate debt collection action against the grantee and may notify the DOL Office of the Inspector General. This action will be taken regardless of whether the fraud or willful disregard occurred at the grantee or any other subrecipient level.

*b.* A grantee may request from the SAE a waiver of debt collection. The request must be in writing and include supporting documentation. In determining whether to impose any sanction on a grantee, including the disallowance of questioned costs, for violations by a subrecipient, the state administrative entity will first determine whether the grantee has adequately demonstrated that it has:

(1) Established and adhered to an appropriate system for the enrollment of participants and the award of contracts with subrecipients which contain acceptable standards for ensuring accountability, clear goals, and obligations in unambiguous terms;

(2) Acted with due diligence to monitor the implementation of the subrecipient contracts and participant files, including the carrying out of the appropriate monitoring, auditing and verification activities at reasonable intervals; and

(3) Taken prompt and appropriate corrective action upon becoming aware of any evidence of a violation of this Act or the regulations by the subrecipient.

*c.* If the state administrative entity determines that the grantee has demonstrated substantial compliance with the requirements of paragraph “*a.*,” the state administrative entity may waive the imposition of sanctions against the grantee and include the waiver in the state’s audit resolution and corrective action report to DOL. The grantee will not be released from liability for misspent funds until the Department of Labor accepts the state’s audit resolution and corrective action report and approves the state’s resolution activities. Any waiver by the state administrative entity for the benefit of the grantee shall be considered a waiver proposal which is subject to final disposition by the Department of Labor.

*d.* Unless waived, each recipient shall repay to the state amounts found not to have been expended in accordance with the Act, regulations, administrative rules, or grant agreement provisions.

*e.* Each recipient shall repay from non-JTPA funds misexpenditures which were due to willful disregard of the requirements of the Act, regulations, administrative rules, or grant agreement provisions, gross negligence, or failure to observe accepted standards of administration.

**14.80(6) Request for hearing.**

*a.* In the case of a final determination or final report imposing a sanction, including the disallowance of costs, an opportunity for a hearing will be provided to the grantee as provided in rule 14.83 (7B, 29 U.S.C. 1501 et seq.).

*b.* Requests for hearing on provisions of a final report or final determination shall be filed within 15 days of receipt of the final determination. The request for hearing shall specify those provisions of the report or determination upon which a hearing is requested. Those provisions of the report or determination not specified for hearing, or the entire determination when no hearing has been requested, shall be considered resolved and not subject to review.

*c.* The party requesting the hearing shall have the burden of establishing, by a preponderance of the evidence, the facts and the entitlement to the relief requested.

*d.* The grantee will receive written notice of the date, time and place of the hearing, an opportunity to present evidence, and a written decision.

**345—14.81(7A,7B, 29 U.S.C. 1501 et seq.) Debt collection procedures.**

**14.81(1) Establishment of debt.**

*a. Audits.* A debt is established by the release of a final determination on an audit report. The amount of the debt is determined by the amount of costs disallowed in the final determination.

*b. Compliance review reports.* A debt is established upon the release of a final report disallowing costs resulting from a compliance review report. The final compliance review report includes a review of the corrective action taken by the grantee and any disallowed costs.

*c. Postponement of debt collection.* If a grantee requests, and the state administrative entity recommends, a waiver under 14.80(5) debt collection procedures will not be initiated unless the Department of Labor rejects the SAE’s audit resolution and corrective action report concerning the waiver request. If a hearing is requested on a final determination or final report as permitted in 14.80(6), debt collection will be delayed pending the outcome of the hearing.

**14.81(2) Notification of debt.**

- a. Within ten days of the establishment of the debt, an initial demand letter will be sent by certified mail, return receipt requested, to the grantee requesting repayment of the misspent funds.
- b. If no response or payment is received within 15 days of the date of the initial demand letter, a final demand letter will be sent by certified mail, return receipt requested.
- c. Letters which are not claimed and signed for by the grantee shall be treated as "no response" for purposes of calculation of time periods.

**14.81(3) Payment methods.**

- a. Payment of debts is to be done as a one-time cash payment except in cases of documented financial hardship or as allowed by the SAE.
- b. The SAE may charge interest on the debt when established.
- c. The following repayment methods may be used by the state administrative entity:
  - (1) Repayment agreement. A repayment agreement may be negotiated for a time period not to exceed one year. The agreement shall be in writing and signed by the state administrative entity and the grantee. The agreement shall include a schedule of payments which includes exact payment dates, amount of the debt, interest, date of agreement and a requirement for payment in full for breach of the agreement by the grantee.
  - (2) Allocation reduction. Title IIA and IIB allocations to a grantee may be reduced when the Department of Labor offsets a debt against funds allotted to the state and the state debt resulted from a misexpenditure by the grantee or its subrecipients. This method may not be used for any other title or subpart of the JTPA.
  - (3) If the misexpenditure of funds was due to a grantee's willful disregard for the requirements of the Act, regulations, administrative rules, or grant agreement provisions, gross negligence; or failure to observe accepted standards of administration, the grantee shall repay those amounts from non-JTPA funds.

**14.81(4) Legal actions.** The state will take necessary and appropriate legal actions to recover mis-spent grant funds in the event a grantee refuses to satisfy a debt owed to the state.

**345—14.82(7B, 29 U.S.C. 1501 et seq.) Sanctions for violations of the Act.** Pursuant to JTPA section 164 and 20 CFR 629.44 (March 15, 1983) the state may impose appropriate sanctions and corrective actions for violations of the Act, regulations, grant terms or conditions and other applicable laws and regulations.

**14.82(1) Findings warranting sanctions.**

- a. In determining whether to impose a sanction, the frequency, quantity, flagrancy and severity of the finding and whether it was the result of willful disregard of the Act or other applicable laws and regulations will be considered. The precise sanction imposed will also be determined by the frequency, quantity, flagrancy, severity and the willfulness of the finding. The findings may fall into four major categories: administrative, fiscal, program operation and performance standards.
- b. Administrative findings. Sanctions may be imposed for failure to: establish a 28E agreement to implement JTPA programs; maintain private industry council membership in accordance with section 102 of the JTPA; establish an LEO/PIC agreement; meet publication and distribution requirements for local training plans; agree on a local training plan; obtain or maintain supporting documentation for grant activities; maintain accurate and current required data in the MIS; submit revised planning summaries to maintain an up-to-date local training plan; make procurements according to required policies and procedures, including prior approval where necessary; implement required corrective actions; submit accurate required reports on time; implement the technical assistance plan; have audits performed as required; and meet monitoring requirements. This list is not intended to be all-inclusive.
- c. Fiscal findings. Sanctions may be imposed for failure to: operate within the minimum cash balance requirements; comply with program cost limitations; maintain adequate expenditure rates in accordance with the local training plan; properly allocate expenditures to JTPA and between titles and programs; properly disburse funds; obtain and document required match; maintain adequate systems

of fiscal control; and submit accurate required fiscal reports on times. This list is not intended to be all-inclusive.

*d.* Program operation findings. Sanctions may be imposed for failure to obtain proper information for eligibility determination resulting in ineligible participants receiving benefits from the program; meet required enrollment levels for dropouts and WIN recipients; enroll substantial segments of the eligible population in proportion to their existence in that population; and meet required expenditure rates for Title IIA youth. This list is not intended to be all-inclusive.

*e.* Program performance findings (Title IIA only). Sanctions may be imposed for failure to meet performance standards for one year; two consecutive years; and more than two consecutive years.

Findings under this category are distinct from other types of sanctionable findings in that these deficiencies relate to performance criteria and sanctions as described in section 106(h) of the Act. Sanctions to be taken under this section are solely in response to an SDA's failure to meet performance standards. For purposes of section 106(h) of the Act "failure to meet performance standards" means achieving the standard in fewer than five of the seven Department of Labor performance measures in Title IIA.

**14.82(2)** *Types of sanctions.* Sanctions which may be imposed are listed below. These sanctions are intentionally progressive in their severity so that the precise sanction to be imposed reflects the willfulness, severity or flagrancy of the finding. The severity of the sanction imposed may also increase with repeated findings. Sanctions include, but are not limited to, the following:

- a.* Disallowing costs associated with the particular violation or deficiency and seeking repayment;
- b.* Stopping the drawdown of funds until the violation or deficiency has been corrected;
- c.* Reallocating unexpended or unobligated funds;
- d.* Prohibiting the use of certain service providers;
- e.* Revoking all or any part of the grant agreement affected;
- f.* Disapproving the local training plan or requiring modifications until conditions, violations or deficiencies have been corrected;
- g.* Requiring the restructuring of the JTPA organization within the grantee or administrative entity;
- h.* Requiring the selection of an alternate grantee or administrative entity;
- i.* Requiring the restructuring of the PIC;
- j.* Decertifying the PIC;
- k.* Redesignating the SDA.

**14.82(3)** *Determination and notification of sanctions.*

*a.* All findings and questioned costs which may warrant sanction will be referred to a committee appointed by the division director. The committee may request and receive additional information and documentation concerning the findings and questioned costs. It is the responsibility of the committee to determine whether or not a sanction will be imposed.

*b.* The decision to impose the disallowed cost sanction will take into consideration the criteria stated in 14.80(4).

*c.* If the sanction committee recommends imposing any of the sanctions in 14.82(2) "*f*" to "*k*." This recommendation will be taken to the SJTCC, or a committee empowered to act on the SJTCC's behalf, for review and recommendation. The sanction committee will then take the SJTCC's recommendation into consideration in its determination of whether or not to impose any of the referenced sanctions.

*d.* The initial notification of sanction will be communicated to the grantee, the PIC, and the LEOs within 30 days of the establishment of the findings. The grantee, the PIC and the LEOs will be allowed 15 days to respond to this initial notification of sanction. A final notification of sanction will be made no later than 60 days after the establishment of the findings.

*e.* Sanctions taken to prevent the misexpenditure of funds (e.g., in cases of fraud, illegal expenditures) will be imposed on an immediate basis along with notification to the grantee, the PIC and the LEOs.

*f.* Prior to imposing any sanction, except those sanctions taken to avoid misexpenditure of funds, the grantee, the PIC and the LEOs will be notified of their appeal rights. The grantee, the PIC and the LEOs may also appeal, within 15 days of the sanction imposition, sanctions imposed on an immediate basis to protect the misexpenditure of funds. The process through which the grantee, the PIC and the LEOs may appeal sanctions is described in 14.83 (7B, 29 U.S.C. 1501 et seq.).

**345—14.83(7B, 29 U.S.C. 1501 et seq.) Appeals of sanctions.** This rule describes the processes of appeal for: the imposition of sanctions for failure to meet performance standards; the revocation of all or part of the local training plan; the disallowance of costs; and the imposition of any other sanction by the SAE.

**14.83(1)** *Process for appealing proposed sanctions to be applied for failure to meet performance standards.*

*a.* For sanctions imposed for failure to meet performance standards, the grantee, the PIC and LEOs will be provided with the opportunity to request a hearing. A request for hearing must be filed within 15 days of receipt of the final notification of sanction.

*b.* The division director, or the division director's designee, will conduct the hearing and make a proposed decision to the SAE's director within 30 days of the receipt of the request for a hearing. The grantee, the PIC and the LEOs will be provided with the opportunity to present evidence, both written and oral. The parties will receive written notice of the date, time and place of the hearing.

*c.* The SAE director will provide the grantee, PIC and LEOs with written notification of the determination of the hearing within 60 days of the receipt of the request for a hearing.

*d.* If the determination upholds the imposition of the sanction, the PIC and LEOs may jointly submit an appeal to the Department of Labor as provided in JTPA section 164(b) and 29 CFR 628.5 (March 15, 1983).

**14.83(2)** *Process for appealing the proposed sanction of revoking all or part of the local training plan.* Within 30 days of receipt of notification of intent to revoke all or part of the local training plan, the PIC and LEOs may jointly appeal to the Department of Labor as provided in 20 CFR 628.5 (March 15, 1983).

**14.83(3)** *Process for appealing the proposed sanctions of PIC decertification and SDA redesignation.* Reserved.

**14.83(4)** *Process for appealing all other sanctions including disallowed costs.* For all other sanctions not mentioned in 14.83(1) and 14.83(2), the grantee, the PIC and the LEOs will be provided with the opportunity to file a request for a hearing as provided in 14.83(1) "a" to "c" and 14.80(6).

**345—14.84 and 14.85** Reserved.

**345—14.86(7A,7B,17A, 29 U.S.C.1554) State administrative entity complaint procedures.**

**14.86(1)** *General information.*

*a.* These rules indicate and specify the minimum procedural requirements for resolving complaints, arising in connection with the Job Training Partnership Act (JTPA) program administered by the department of economic development and operated by grantees within each service delivery area (SDA), alleging a violation of the JTPA, state or federal regulations, grant or other agreements under the Act. For complaints involving audit reports, compliance review reports and the imposition of sanctions on the grantee, refer to the rules applicable to audit resolution, debt collection, compliance reviews and sanctions for filing deadlines and procedures.

*b.* The JTPA and federal implementing regulations require the establishment of both local and state level complaint procedures. Grievances or complaints about local level actions, decisions, activities, and programs are to be resolved through the SDA level complaint procedure. As provided in subrule 14.86(3) the state may, upon request of a party or upon its own motion, review a final local complaint decision. Complainants may file initially with the state if the requirements of subrule 14.86(4) are met.

c. These rules do not apply to proceedings that determine law or policy of general applicability based on legislative fact nor to automatic grant adjustments for classes of contractors, subcontractors or participants when adjustments are required by state or federal law.

d. Complaints may be brought by participants, subgrantees, subcontractors, and other interested persons. The department of economic development may also initiate complaints as required by statute or constitution in order to determine the legal rights, duties, or privileges of a party which are at issue.

e. The identity of any person who has furnished information relating to, or assisting in an investigation of a possible violation of JTPA shall be kept confidential to the extent possible, consistent with due process and a fair determination of the issues.

f. No grantee, administrative entity, private industry council, or subgrantee shall in any manner discriminate against or discharge any individual because the individual has filed a complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any proceeding or investigation under or related to this Act.

**14.86(2) Definitions.** As used in this complaint procedure the following definitions apply, unless the context otherwise requires.

“*Complaint*” means an alleged injury, injustice or wrong and includes the term grievance.

“*Contested case*” means a proceeding in which the legal rights, duties or privileges of a party are required by constitution or statute to be determined by the department of economic development, after an opportunity for an evidentiary hearing.

“*Director*” means the director of the department of economic development.

“*Dismissal*” means that a complaint will not be pursued for the following reasons:

1. The alleged violation is not one that arises in connection with JTPA Act, regulations, grant, or other agreements, under the Act; or

2. No useful purpose would be derived in pursuing further action on the complaint.

“*Final action*” means resolution of the complaint by withdrawal, settlement agreement, dismissal, or final decision.

“*Interested person*” incorporates the legal concept of “standing” and means a person who has some personal and legal interest in the matter which is the subject of the complaint and can demonstrate a specific injurious effect on this interest.

“*JTPA*” means the Job Training Partnership Act of 1982, Public Law 97-300.

“*SDA*” means service delivery area; the geographical area designated under the Act within which employment and training services are provided.

“*Settlement agreement*” means that a written agreement, signed by the parties, that has been executed which recites the subject of the controversy and the solution mutually agreed upon by the parties, including a statement of the action to be taken, or to be refrained from, by each of the parties.

“*State administrative entity*” or “*state*” for the purpose of this complaint procedure means the department of economic development.

“*Withdrawal*” means the complainant has requested, prior to a hearing, that no further action be taken by the state on the complaint.

**14.86(3) State review of SDA complaint decisions.** If a party does not receive a final decision at the SDA level within 60 days of filing of the complaint or receives an adverse decision, a party may request a review of the complaint by the state.

a. *Filing deadline.* To be considered, a request must be filed with the state within 10 days of receipt of the adverse decision or 10 days from the date on which a party should have received a decision.

b. *Exhaustion of local procedures.* No party may file a request for review by the state until the SDA procedures have been exhausted, unless a decision has not been issued within 60 days of the filing of the complaint.

c. *Where to file.* The request shall be filed with the JTPA complaint officer at the department of economic development.

d. *Contents.* The request shall be in writing and shall include:

- (1) The date of filing the request for review;
- (2) The names and addresses of all parties involved;

(3) A clear statement of the facts, including relevant dates, and the provision(s) upon which review is requested. Provisions not identified for review will be considered resolved, unless the agency desires to review a provision on its own motion;

(4) The date the complaint was filed with the SDA, the date the SDA decision was issued or should have been issued;

(5) Signature of the party requesting the review; and

(6) A copy of the SDA level decision.

*e. Notice.* After receipt of the request for review, the JTPA complaint officer will:

(1) Send written notice of the filing and a description of the review process to each party;

(2) Request from the SDA complaint officer a copy of the SDA complaint file consisting of all pertinent documents including, but not limited to, the original complaint, evidence, hearing transcript, briefs, pleadings and written decision(s);

(3) Transmit the request to appropriate personnel; and

(4) Establish a deadline for submission of briefs, exceptions or additional evidence.

*f. State review process.*

(1) *Review procedure.* The director, or an individual designated by the director, will review the SDA decision, complaint file, all timely filed briefs and exceptions, and any other relevant information. The director, or the director's designee, may request additional information from the parties, investigate any matter, request oral arguments on the complaint, or take any other appropriate action to aid in the review process;

(2) *Standard of review.* Deference will be given to the findings of fact made at the local level. The agency's experience, technical competence and specialized knowledge may be utilized in the evaluation of the evidence and decision. The local decision will be reviewed to determine:

1. Consistency with state, federal and local law, regulation and policy under the JTPA;

2. The lawfulness of the local procedure;

3. Whether the decision is in violation of any statutory or regulatory provision;

4. Whether it is in excess of the authority delegated to the SDA;

5. Whether it is supported by substantial evidence in the record when that record is reviewed as a whole; and

6. Whether it is unreasonable, arbitrary or capricious or characterized by an abuse of discretion or a clearly unwarranted exercise of discretion.

(3) *Final decision.*

1. When the director reviews the SDA decision, the decision of the director is final. When an individual designated by the director reviews the SDA decision, the designee will prepare a recommended decision which the director may adopt, modify or reject. The director shall issue a final written agency decision.

2. A final written agency decision will be made within 30 days of the filing of the request for state review. This written decision of the director is final agency action and subject to judicial review as provided in Iowa Code section 17A.19.

**14.86(4) State complaint procedure.**

*a. Who may file.* A participant, subgrantee, subcontractor or other interested person may file a complaint.

*b. Jurisdiction.* A complaint may be filed with the state to adjudicate or otherwise resolve an allegation that the department of economic development has violated the JTPA, applicable federal or state regulations, grants, contracts or other agreements under the JTPA. For complaints involving audit reports, compliance review reports, and the imposition of sanctions on the grantee, refer to the sections on audit resolution, debt collection, compliance reviews and sanctions for special filing deadlines and procedures.

*c. Time.*

(1) Except for complaints alleging fraud or discrimination prohibited under the Act, complaints shall be filed within one year of the alleged occurrence. For appeals of final audit reports, compliance review reports and the imposition of sanctions refer to the applicable rules for filing deadlines.

(2) Discrimination-based complaints. All complaints alleging discrimination based on race, color, religion, sex, national origin, age, handicap, or political affiliation, or belief must be filed within 180 days of occurrence. All discrimination-based complaints, other than handicap, are to be filed with the Regional Department of Labor, Office of Civil Rights. The JTPA complaint officer will provide the charging party with the U.S. Department of Labor complaint information form and assistance in the completion and filing of the complaint.

*d. Contents.* Complaints shall:

- (1) Be clearly portrayed as a complaint by the complainant;
- (2) Be legible and signed by the complainant or the complainant's authorized representative;
- (3) Pertain to a single subject, situation or set of facts;
- (4) State the name, address and phone number (or TTY number) of the complainant. If the complainant is represented by an attorney or other representative of the complainant's choice, the name, address and phone number of the representatives shall also appear in the complaint;
- (5) State the name of the party or parties complained against and, if known to the complainant, the address and phone number of the party or parties complained against;
- (6) Contain a clear and concise statement of the facts, including pertinent dates, constituting the alleged violations;
- (7) Cite the provisions of JTPA regulations, grants or other agreements under JTPA believed to have been violated;
- (8) State the relief or remedial action(s) sought;
- (9) Include copies of documents supporting or referred to in the complaint; and
- (10) State whether or not an oral hearing is requested.

*e. Where filed.* Complaints shall be filed with the Workforce Development Department, 100 Des Moines Street, Des Moines, Iowa 50319.

**14.86(5)** *Acknowledgment of complaint and notice of opportunity for hearing.*

*a.* A complaint shall be deemed filed with the state when it has been received by the JTPA complaint officer in a form which satisfies the requirements of subrule 14.86(4) "d."

*b.* Upon receipt of a complaint in proper form, the department of workforce development will send by personal service or certified mail, a copy of the complaint and a letter of acknowledgment and notice to the parties. The letter of acknowledgment and notice shall contain the filing date, the docket number, and guidance concerning the following:

- (1) The opportunity for informal resolution of the complaint at any time before a contested case hearing is convened.
- (2) The opportunity for a party to request a hearing by filing with the complaint officer within seven days of receipt of the acknowledgment of the complaint a request for hearing.
- (3) Opportunity for a party to be represented by counsel at their own expense.
- (4) Failure to file a written request for a hearing within the time provided constitutes a waiver of the right to a hearing and the presiding officer will rule on the complaint based upon the pleadings, evidence and briefs submitted.
- (5) If a hearing is requested, the hearing shall be held within 30 days of the filing of the complaint.
- (6) The opportunity for a party to submit written evidence, pleadings and briefs in a time and manner prescribed by the presiding officer.

(7) When a hearing officer presides, the hearing officer shall issue a proposed decision within 60 days of the filing date of the complaint and forward a copy to each party, the complaint officer and the director.

(8) Should the hearing officer fail to issue a written decision within 60 days or if a party receives an adverse decision, a party may request an independent state review of the complaint in accordance with subrules 14.86(19) and 14.86(20). The request must be filed with the director within 10 days of the issuance date of the adverse decision or within 10 days from the date on which the decision should have been issued. If accepted for review, a decision shall be made within 30 days and the director's decision is final.

(9) Parties may file exceptions to and appeals of the proposed decision for review by the director no later than 10 days from the issuance date of the proposed decision by filing with the complaint officer exceptions, appeals, and appeal briefs or briefs in support of the exceptions. The parties will receive written notice of the acceptance or denial of the request for review. The state reserves the right to review the hearing officer's decision on its own motion.

(10) If no exceptions to or appeals of the proposed decision are filed within the time provided or not reviewed upon agency motion, the proposed decision of the hearing officer shall become the final agency decision.

**14.86(6) Settlement.** A controversy may, unless precluded by statute, be informally settled by mutual agreement of the parties any time before or after a controversy is formally identified by the filing of a complaint, notice, or petition, and before a contested case hearing is convened. The settlement shall be effected by a written settlement agreement signed by all parties or a written statement from the complainant that the complaint has been withdrawn or resolved to the complainant's satisfaction. The complaint officer shall acknowledge the informal settlement and notify the parties of the final action. With respect to the specific factual situation which is the subject of controversy, the informal settlement shall constitute a waiver, by all parties of the formalities to which they are entitled under the terms of the Iowa Administrative Procedures Act, Iowa Code chapter 17A, JTPA and the rules and regulations under JTPA.

**14.86(7) Waiver of right to a hearing.** Failure to request a hearing in a timely fashion constitutes a waiver of a right to a hearing. If no hearing is requested the presiding officer shall make a record of the written evidence, pleadings and briefs submitted by the parties. These documents shall be considered the complete record and will be the basis for the hearing officer's proposed decision.

**14.86(8) Notice of hearing.**

*a.* Upon receipt of a timely request for a hearing, the JTPA complaint officer will assign the matter to a hearing officer. The parties shall be notified of this assignment and all future correspondence and filings shall be directed to the hearing officer and copies of the documents shall be served on all parties, and the JTPA complaint officer.

*b.* The hearing officer shall give all parties at least seven days' written notice either by personal service or certified mail of the date, time and place of the hearing. The notice may be waived in case of emergency, as determined by the hearing officer, or for administrative expediency upon agreement of the interested parties.

*c.* Contents of notice. Notice of hearing shall include:

- (1) A statement of the date, time, place, and nature of the hearing;
- (2) A statement of the legal authority and jurisdiction under which the hearing is to be held;
- (3) A reference to the particular sections of the statutes, rules or regulations involved; and
- (4) A short, plain statement of the matters asserted. If the state is unable to recite the matters in detail at the time the notice is given, the notice may be limited to a statement of the issues involved.

(5) A statement informing all parties of their opportunities at hearing:

- Opportunity for the requesting party to withdraw the request for hearing before the hearing;
- Opportunity to reschedule the hearing for good cause, provided that the hearing is not held later than 30 days after the filing of the complaint;
- Opportunity to be represented by an attorney or other representative of their choice at their own expense;

- Opportunity to respond and present evidence and bring witnesses to the hearing;

- Opportunity to have records or documents relevant to the issues produced by their custodian when such records or documents are kept by or for the state, contractor or its subcontractor in the ordinary course of business and where prior reasonable notice has been given to the presiding officer;

- Opportunity to question any witnesses or parties;

- The right to an impartial hearing officer; and

- A written proposed decision shall be issued by the hearing officer.

**14.86(9) Applicability of Iowa rules of procedure.**

a. These administrative rules govern the JTPA complaint procedure and all hearings before the hearing officer.

b. In the absence of a specific provision in these rules and to the extent they are not inconsistent with the Act, implementing regulations or Iowa Code chapter 17A, procedural matters will be in accordance with the Iowa rules of civil procedure.

**14.86(10) Service and notice.**

a. At the time of filing pleadings or other documents, a copy shall be served by the filing party on each party and the JTPA complaint officer.

b. Service upon a party who has appeared through a representative shall be made only upon the representative.

c. Unless otherwise ordered, service may be accomplished by postage prepaid first-class mail or by personal delivery. Service is deemed effected at the time of mailing (if mailed) or at the time of personal delivery (if by personal delivery).

**14.86(11) Discovery.**

a. Pursuant to Iowa Code section 17A.13(1) discovery procedures applicable to civil actions shall be available to all parties in a contested case before the agency.

b. Where there is a failure to comply with any proper method of discovery permitted, the party seeking discovery may apply to the hearing officer for an order compelling discovery.

**14.86(12) Issuance of subpoenas.**

a. Pursuant to Iowa Code section 17A.13(1) parties to a contested case proceeding may request, and the agency may grant, subpoenas.

b. It shall be the responsibility of the parties to request the attendance of persons they believe have knowledge of the facts at issue at the hearing.

c. Upon written request of a party, a subpoena compelling the attendance of a person may be issued by the hearing officer. The request shall be in writing and submitted at least three days prior to the hearing date and shall include:

(1) A statement of the relevance of the witness' testimony and that it will not be duplicative of other testimony;

(2) A statement that the witness has been requested and refuses to voluntarily attend; and

(3) The name, address and telephone number of the witness.

d. A subpoena duces tecum shall include the items identified in subrule 14.86(12) "c," and shall state specifically the documents, books or records desired.

e. At the discretion of the hearing officer, an opportunity to object to the issuance of a subpoena may be afforded the person(s) to whom a subpoena is directed. The hearing officer may hear and rule on the objection prior to commencing the hearing.

f. The hearing officer shall issue a subpoena if it is satisfactorily shown that the testimony to be offered is relevant and pertinent; not hearsay; not cumulative or repetitive of other evidence or testimony; and, in the case of a subpoena duces tecum, the records do not disclose protected communications or cause an undue hardship on the party to whom it is directed.

g. If any person to whom a subpoena is directed refuses to honor the subpoena, the agency may, in its discretion, apply to the district court for an order to compel the person to obey the subpoena.

**14.86(13) Prehearing conference.** At any time before a hearing, on motion of the hearing officer or a party, the hearing officer may direct the parties or their representatives to exchange information or participate in a prehearing conference for the purpose of considering matters which will tend to simplify the issues to expedite the proceedings.

**14.86(14) Conduct of hearing.**

a. *Time.* If requested by a party, a hearing will be conducted within 30 days of the filing of the complaint.

b. *Telephone hearings.* Hearings may be conducted, in whole or in part, by telephone. When it is impractical for the state to conduct an in-person hearing, a telephone hearing may be scheduled.

c. *Hearing procedure.*

(1) The hearing officer will receive in evidence the testimony of witnesses and any documents which are relevant and material to the matters at issue. The hearing officer shall mark in a clear manner by number or letter each exhibit received into the record.

(2) The hearing officer shall give a brief opening statement outlining the jurisdictional authority by which the hearing is conducted; the names of the parties and their representatives, if any; the date the complaint was filed; the issue(s) involved; and what matters, if any, will be officially noticed.

(3) The hearing officer shall determine the order of presentation and offer the parties an opportunity to present opening statements.

(4) The hearing shall be confined to evidence relative to the issue(s) stated in the complaint and in the notice of hearing. If an entirely new, but related, issue is raised at the hearing by a party, the hearing officer may take testimony on the new issue provided the parties waive their right to notice and no objection is made by a party. If the hearing officer permits, and a party does not object to, the adjudication of a new, but related issue, the original complaint shall be amended to reflect the new issue.

(5) Oral proceedings or any part thereof shall be transcribed at the request of any party with the expense of the transcription charged to the requesting party, as authorized in Iowa Code section 17A.12(7). Requests for transcription shall be in writing and submitted to the JTPA complaint officer.

(6) If a party fails to appear at the hearing after proper service of notice, the hearing officer may:

1. Proceed with the hearing and make a decision in the absence of the party;
2. Adjourn and decide the matter without an oral proceeding based on the pleadings, briefs, and evidence submitted by the parties; or
3. Dismiss the complaint.

**14.86(15) Rules of evidence.** Hearings under this complaint procedure shall be governed by the rules of evidence applicable to contested case proceedings as outlined in Iowa Code section 17A.14 and the following:

*a.* The complainant has the burden of establishing, by a preponderance of the evidence, the validity of the complaint allegation(s).

*b.* The hearing officer may take official notice of facts well known to the public and within the specialized knowledge of the agency. The hearing officer will notify the parties of facts so noticed and offer the parties an opportunity to contest these facts.

*c.* Subject to the approval of the hearing officer, the parties may enter into a stipulation as to all or a portion of the facts involved in the hearing. The hearing officer may make a decision on the basis of the information contained in the stipulations or may take additional evidence.

*d.* Objections to evidentiary offers may be made and shall be noted in the record. Before ruling on an objection, it must be specific in nature and the objecting party must state how the objection relates to the evidence to which it refers. The hearing officer shall rule on the objection at the time it is made or indicate to the parties that a ruling will be reserved and made in the written decision.

*e.* All witnesses, prior to testifying, shall be identified by name and address, and shall take an oath or affirmation administered by the hearing officer. Subject to the discretion of the hearing officer, witnesses may be excluded from the hearing room until time to present testimony. All witnesses shall be subject to cross-examination by each party.

**14.86(16) Ex parte communications.**

*a. Hearing officer.* Where the hearing officer desires to communicate with any party or person with a personal interest in or engaged in prosecuting or advocating in either the case under consideration before them or a pending factually related case involving the same parties, that officer shall notify these persons or parties indicating the time and place at which all affected persons or parties may meet to discuss the matters.

However, without notice and opportunity for all parties to participate, individuals assigned to render a proposed or final decision, or to make findings of fact and conclusions of law in a contested case, may communicate with members of the state and may have the aid and advice of persons other than those with a personal interest in, or those engaged in prosecuting or advocating in, either the case under consideration or a pending factually related case involving the same parties.

*b. Parties or their representatives.* Where any party or their representative desires to discuss certain matters with the hearing officer, they should notify the hearing officer and the opposing party of the desire to meet with the hearing officer, and the hearing officer, upon notification of the affected persons or parties, may meet to discuss any matters.

*c. Sanction.* The recipient of a prohibited communication as provided in Iowa Code section 17A.17, may be required to submit the communication, if written, or a summary of the communication, if oral, for inclusion in the record of the proceedings. As sanctions for violations of any prohibited communication provided in Iowa Code section 17A.17, a decision may be rendered against a party who violates these rules, or for reasonable cause shown the director may censor, suspend, or revoke a privilege to practice before the department, or for reasonable cause shown after notice and opportunity to be heard, the director may censor, suspend, or dismiss any state personnel.

**14.86(17)** *Duties of the hearing officer and disqualifications.*

*a.* Upon the filing of a request for a hearing, a hearing officer will be assigned to preside at the hearing.

*b.* The duties of the hearing officer shall include handling prehearing procedures, conducting assigned hearings, writing a proposed decision, and any other duties incidental to and not inconsistent with the duties and responsibilities of a hearing officer.

*c.* No hearing officer shall conduct assigned hearings or make decisions where the impartiality of the hearing officer is questioned by a party. Instances in which the impartiality of the hearing officer may be questioned include, but are not limited to, the following:

(1) Has a personal bias or prejudice concerning a party, or personal knowledge of disputed evidentiary facts concerning the proceeding;

(2) Individually has, or is related to a person who has, a financial interest in the subject matter in controversy or any other interest that could be substantially affected by the outcome of the proceeding;  
or